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LISTING STATEMENT NO. 2454.

LISTED JUNE 3, 1970.
10,000,000 shares of .50¢ par value.
Stock Symbol "UBR".
Post Section 1.4.

TORONTO STOCK EXCHANGE

LISTING STATEMENT

UNITED BATA RESOURCES LIMITED

(Non-Personal Liability)

Incorporated under the Companies Act, Province of British Columbia

1. Address of the Company's Head Office and of any other offices:

Head Office: 1070 Elveden House, Calgary 2, Alberta.

Registered Office: British Columbia—17th Floor, 1075 West Georgia Street, Vancouver, British Columbia.

Executive Office: Ontario—605-372 Bay Street, Toronto 1, Ontario.

2. Officers of the Company:

Office Held	Name	Address	Occupation
President	Adam A. K. Kryczka	2205 Hope Street, Calgary	Geologist
Vice-President	William H. Price	7224 Kananaskis Drive, Calgary	Engineer
Vice-President	Phillip J. DeZwirek	605-372 Bay Street, Toronto	Management Consultant
Secretary-Treasurer	James B. Cotsworth	64 Woodlark Drive, Calgary	Accountant

3. Directors of the Company:

Office Held	Name	Address	Occupation
	Kenneth P. Bottoms	343 Willowridge Place, Calgary, Alberta	Geologist
	Zave M. Climan	378-2055 Peel Street, Montréal, Québec	Investment Counsel
	Aaron L. Colvin	6246 Rex Street, Dallas, Texas	Oil Executive
	Adam A. W. Kryczka	2205 Hope Street, Calgary, Alberta	Geologist
	Richard S. Lennie	1118 Highland Place, West Vancouver, British Columbia	Corporate Executive
	William H. Price	7224 Kananaskis Drive, Calgary, Alberta	Engineer
	Frank A. Schultz	730 Fidelity Union Tower, Dallas, Texas	Oil Executive

4. Names and addresses of all transfer agents:

Canada Permanent Trust Company—455 Granville Street, Vancouver, British Columbia.

—1901 Yonge Street, Toronto, Ontario.

—315-8th Avenue S.W., Calgary, Alberta.

—600 Dorchester Boulevard, Montréal, Québec.

5. Particulars of any fee charged upon transfer other than customary government taxes:

50¢ for each certificate issued on any transfer.

6. Names and addresses of all registrars :

Canada Permanent Trust Company, 455 Granville Street, Vancouver, British Columbia.

7. Amount of authorized capital: \$5,000,000.

8. Number of shares and par value: Ten million (10,000,000) common shares of 50¢ par value.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Brief description of the properties or other assets and the aggregate condition therefor, expressed in cash, shares, etc.
December 20, 1968	7,802,015	For details see Appendix 1 (A), page 10.
October 31, 1969	493,000	Conversion of Debentures in Principal Amount of \$500,000.
December 23, 1969	7,000	For details see Appendix 1 (C), page 14.
February 24, 1970	17,770	For details see Appendix 1 (C), page 13.
Total	8,319,785	

10. Full details of all shares sold for cash:

Date	Number of Shares	Price per Share	Amount realized by Company
December 23, 1968	7	\$1.00	\$ 7
January 14, 1969	66,668	3.00	200,004
August 4, 1969	45,000	1.75	78,750
October 16, 1969	25,000	1.50	37,500
January 14, 1970	25,000	1.75	43,750
Total	161,675		\$360,011

11. Total number of shares issued: 8,481,460.

12. Number of shares now in treasury or otherwise unissued: 1,518,540.

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes:
None.

14. Date of last annual meeting: First Annual General Meeting, March 16, 1970.

15. Date of last report to shareholders: January 31, 1970.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	(a) A total of 181,666 shares of the Company are under option to key management personnel by way of incentive stock options. (b) Warrants to purchase up to a total of 500,000 shares of the Company, previously attached to convertible debentures now converted are presently outstanding. For details see Appendix 2 (A), and Appendix 2(B), page 14.
17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	For details see Appendix 2 (A), page 14.
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.

<p>19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.</p>	<p>At the time the debentures were originally issued, each of the holders executed an "investment letter" and lodged same with the British Columbia Securities Commission which letters provided that the holders would not sell or dispose of any of the shares of the Company into which the debentures may be converted (note that all debentures have been converted as of December 23, 1969, into 500,000 common shares, see Item 9C, Appendix 1 (C), page 13), or any of the shares of the Company which may be issued upon exercise of all or any of the warrants attached hereto (see Item 16B, Appendix 2 (B), page 14, and note that warrants have been detached but rights thereunder have not yet been exercised) without first complying with the requirements of the Vancouver Stock Exchange and of the Securities Act, 1967, of the Province of British Columbia, applicable thereto. The requirements contemplated in the "investment letter" are those relating to the sale by the shareholder of shares which have not previously been distributed to the public and have not been qualified for sale by virtue of the acceptance by the appropriate regulatory body, in this case the Vancouver Stock Exchange, of a Statement of Material Facts.</p> <p>Reproduced below is a copy of a note prepared by Company counsel which was attached to the share certificates themselves when delivered upon conversion.</p> <ol style="list-style-type: none"> 1. Neither the shares of United Bata Resources Limited (N.P.L.), nor the share purchase warrants which you have now received, nor any shares which you might acquire as the result of exercising of such warrants have been qualified for sale to the public in the United States of America or in any of the territories or possessions thereof. 2. Although the shares of the Company are listed for trading on the Vancouver Stock Exchange and the shares and warrants which you have received were derived from or attached to debentures issued pursuant to an exemption granted by the British Columbia Securities Commission, such exemption does not entitle you, if you could be considered as being one of a group of persons in a position to materially affect control of the Company, to sell the shares, or any shares which you might hereafter receive on the exercising of the warrants, either through the facilities of the Vancouver Stock Exchange or otherwise to the public in British Columbia or elsewhere in Canada in a series of transactions which would be deemed to constitute primary distribution under the laws of the jurisdiction in which such shares are sold, unless the requirements of such jurisdiction relating to the primary distribution of issued shares have first been satisfied.
<p>20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p>	<p>None.</p>
<p>21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.</p>	<p>For details see Appendix 3, page 15.</p>
<p>22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.</p>	<p>There is no person who at the present time is in a position to materially affect control of United Bata: however, the present Board of Directors may be in a position to affect control but only if they are able to obtain sufficient proxies from shareholders in combination with their personal holdings and any which they might represent.</p>
<p>23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.</p>	<p>For details see Appendix 1 (C), page 13.</p>
<p>24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.</p>	<p>No.</p>

25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

In July, 1969, the Bank of Montreal agreed to lend United Bata up to \$7,000,000, as required, by way of a production loan secured by assignments under Section 82 of the "Bank Act" of United Bata's interests in six sections of its Strachan-Ricinus holdings, portions of which may be released from the charge upon request if at any time, or from time to time, such security appears to be in excess of the Bank's usual requirements. Of this total bank credit, some \$4,000,000 will be required to meet United Bata's indicated share of the construction costs in the installation of the gathering system and natural gas processing plant in the Strachan-Ricinus area. The balance of the credit will be available to cover United Bata's share of further drilling in the area and other obligations. The loan, which may be repaid at any time or from time to time, is repayable in equal monthly installments over a 7-year period commencing January, 1971, or upon receipt of the first revenues under the contract between United Bata and TransCanada Pipe Lines Ltd.

There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding, save as follows:

All of the 7½% convertible debentures issued by United Bata in the aggregate principal amount of \$500,000 have been converted into 500,000 shares; in the result, the security for the debentures by way of floating charge under the deed of trust made as of January 1, 1969, which at the date hereof is still registered, is now to be discharged by way of formal instrument and registration.

26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.

Investments in Other Companies:

United Bata acquired certain investments in the securities of other companies from one or other of its predecessors, some of which it has sold.

Those retained are as follows:

(a) Marketable Securities:

(i) Shares which it is anticipated could be disposed of at market:

	Indicated Cost to Predecessor	Market (as at April 30, 1970)
Banff Oils Ltd.: 500 shares	\$6,960.65	\$4,100.00

(ii) Shares which could not readily be disposed of at market:

	Acquisition Cost Attributed by United Bata	Presently Estimated Realizable Value to which investment now written down
Seeburg Corporation: 1,000 shares	\$ 32,946.68	\$ 5,000.00
Continental Potash Corporation Ltd.: 1,114,528 shares [See (b) (ii) (A) below as to additional shares held by subsidiary of a subsidiary]	\$111,452.80	\$10,000.00

(b) Shares of Private Companies:

(i) Not subsidiary:

	Acquisition Cost Attributed by United Bata	Presently Estimated Realizable Value to which investment now written down
Bermur Realty Ltd.: 44,000 shares	\$44,000.00	\$5,000.00

(ii) Wholly-owned Subsidiaries:

(A) Not Consolidated in United Bata's Financial Statements Made Up to October 31, 1969:

	Acquisition Cost Attributed by United Bata	Presently Estimated Realizable Value to which investment now written down
Resource Management Ltd.: (formerly a subsidiary of Stampede Oils Ltd.): in- active pending liquidation	\$151,000.00	\$1.00
Bata Utilities Ltd.: (for- merly subsidiary of Bata Resources Limited): in- active pending liquidation	\$150,000.00	\$650.00

Note: The estimated realizable value attributed to Bata Utilities Ltd. arises solely from the value attributed to its wholly-owned subsidiary, Unity Gas Supply Company Ltd., which holds, inter alia, 72,834 shares of Continental Potash Corporation Ltd. No value is attributed to the other subsidiary of Bata Utilities Limited, Associated Development Company Limited. Unity Gas Supply Company Limited and Associated Development Company Limited are to be wound up concurrently with the winding up of Bata Utilities Ltd.

(B) Consolidated in United Bata's Financial Statements:

Bata Resources Inc., a Montana corporation: a wholly-owned subsidiary, formerly of Bata Resources Ltd. now of United Bata: 3 shares issued with a par value of \$10.00 (U.S.) each.

27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:

- (a) Properties owned where titles vested in Company.
- (b) Properties leased.
- (c) Properties otherwise held.

28. Full particulars of any royalties or other charges payable upon production from each individual property.

For details See Appendix 7, page 19.

ROYALTIES PAYABLE UPON PRODUCTION

STRACHAN AREA

(a) Sec. 33, Twp. 37, Rge. 9 W5

The Company holds a 67½% working interest in the 640-acre wellsite spacing unit (Section 33-37-9W5M), subject to a 5% to 15% sliding scale royalty reserved to Gulf on oil production (i.e., for each 100 barrels of oil produced monthly, Gulf will receive 1% of production but not less than 5% nor more than 15% of total production) and a royalty reserved to Gulf on gas production being the greater of 15% of total production or 1½¢ per mcf. After payment of all drilling and completion costs, Gulf may exercise its option to "back in" for a 50% working interest whereupon the net interest of the Company in the wellsite spacing unit would be 33.75% and 5% override to Tamarack Petroleum Ltd.

(b) All other Strachan Properties—Crown Royalty + 5% override to Tamarack Petroleum Ltd.

MANYBERRIES AREA

Crown Royalty.

JOFFRE AREA

Crown Royalty.

WEST DRUMHELLER

Crown Royalty and others total approximately 22%.

RAINBOW AREA

(a) Crown royalties, on a sliding scale up to 16⅓%.

(b) A gross overriding royalty previously granted by Central Del Rio to Russ Burns Petroleum Consultants Ltd.

(c) A 15% carried interest reserved to Imperial Oil Ltd. ("Imperial") which will only entitle Imperial to participate in any proceeds of production after there has been recouped from production the full amount of all costs presently incurred on any of the lands which were the subject of the agreement between Imperial lands which were the subject of the agreement between Imperial and Central Del Rio et al (in the total amount to date of approximately \$3,000,000) and costs incurred by Adera et al under the farmout agreement and any further costs which may be incurred hereafter by Central Del Rio and Union.

(d) The proviso that, subject to payment of a 25% gross overriding royalty to Central Del Rio and Union and to the Crown royalties and the 1% gross overriding royalty referred to above, Aderoil and its partners (including Bata) in accordance with respective interests will be entitled to receive all the proceeds of production until Aderoil et al have received the sum of \$200,000, and that thereafter (until Imperial's interest vests) such proceeds are to be distributed to Aderoil et al as to 50% (of which Bata will be entitled to 2/5ths), and Central Del Rio and Union as to 25% each;

HAPPY VALLEY

Crown Royalty + 3% override to Mesa Petroleum Co.

MALMO AREA

12½% freehold royalty.

CHUNGO—BROWN CREEK

Crown Royalty + 3% override to Bozlan Oil and Gas Ltd.

STURROCK CREEK

Crown Royalty.

BLACKSTONE

Crown Royalty + 2½% override to Bozlan Oil and Gas Ltd.

VIRGO

Crown Royalty.

SASKATCHEWAN

Avonlea—

—on all freehold leases (including addendum) Royalty is 12½% + 3% override to Masai Minerals.

—on P & NG Permit No. PP 1636—Crown Royalty + 3% override to Masai Minerals.

SASKATCHEWAN—Continued

Eureka

Crown Royalty.

South Eureka Unit

Crown Royalty.

Doddsland Viking Gas Voluntary Unit

Crown Royalty (amounting to approximately 6.1% of net sales).

Kisbey

Crown Royalty + 2½% override to Gulf Securities + 3.75% override to Farmers.

North Benson

Crown Royalty + 2½% override to Prairie Royalties.

North Benson

Crown Royalty + 2½% override to Prairie Royalties.

BRITISH COLUMBIA

Bowser Basin

Crown Royalty.

Shekilie

Crown Royalty.

North Paddy

Crown Royalty.

ONTARIO

Elgin and Norfolk Counties

Freehold royalty (12½% in oil: max. \$500/yr. on gas).

North Bayham

Lessor royalty (12½% on oil; max. \$500/yr. on gas) + 10% override to Imperial Oil and 6.25% override to J. M. Harmon.

NORTHWEST TERRITORIES

Thelon Prospecting Permit

3% net smelter returns payable to Scoteire Exploration Ltd. on all cash and other considerations received from the production and sale of all and any minerals contained in the lands and mineral rights covered by the permit.

29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.

None.

30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

None.

31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.

No lawsuits are pending or in process against the Company or its properties.

32. Describe plant and equipment on property or properties.

Oil wellhead equipment including pumpjacks, rods, motors, pumps and other related equipment and battery facilities, gas wellhead equipment.

The Company is sharing (estimated interest 19%-20%) in the construction of a gas processing plant to serve the Strachan gas field. The plant, which will be operated by Gulf Oil Canada, is scheduled to commence operations in December, 1970, and is designed initially to accommodate 250 MMCF per day of raw natural gas. Estimated overall cost of plant and related system is \$21,167,000 and United Bata's share thereof will be approximately \$4,150,000.

<p>33. Describe all development accomplished and planned.</p>	<p>Since the Company's incorporation in 1968 it has participated in the drilling of the following wells:</p> <table border="0"> <tr> <td>Amerada et al Strachan 10-17-38-9 W5</td><td>Wildcat (Alberta) abandoned</td></tr> <tr> <td>Stampede Banff Aquit N. Paddy a-63-J/94-H-16</td><td>Wildcat (British Columbia) abandoned</td></tr> <tr> <td>B.A. et al Strachan 11-27-37-9 W5</td><td>Development (Alberta) capped gas well</td></tr> <tr> <td>Gulf et al Strachan 11-22-37-9 W5</td><td>Development (Alberta) capped gas well</td></tr> <tr> <td>Amerada et al Ricinus 16-26-36-9 W5</td><td>Wildcat (Alberta) capped gas well</td></tr> <tr> <td>Gulf et al Strachan 10-24-37-9 W5</td><td>Wildcat (Alberta) suspended</td></tr> <tr> <td>Gulf et al Ricinus 7-28-36-8 W5</td><td>Wildcat (Alberta) abandoned</td></tr> <tr> <td>Omega et al Sapphire 7-28-2-5 W4</td><td>Wildcat (Alberta) capped gas well</td></tr> <tr> <td>Amerada et al Ricinus 10-34-36-9 W5</td><td>Wildcat (Alberta) abandoned</td></tr> <tr> <td>KR et al Callum 15-15-12-2 W5</td><td>Wildcat (Alberta) abandoned</td></tr> <tr> <td>Canso Eureka 8-18-31-22 W3</td><td>Wildcat (Alberta) oil well</td></tr> <tr> <td>Gulf et al Strachan 11-28-37-9 W5</td><td>Development (Alberta) capped gas well</td></tr> <tr> <td>UBR Gulf Blackstone 8-3-42-18 W5</td><td>Wildcat (Alberta) abandoned</td></tr> <tr> <td>Gulf et al Strachan 10-21-37-9 W5</td><td>Development (Alberta) capped gas well</td></tr> <tr> <td>Shawnee UBR et al Bayham 127 STR</td><td>Wildcat (Ontario) abandoned</td></tr> <tr> <td>Shawnee UBR S. Walsingham 3-4-A</td><td>Wildcat (Ontario) capped gas well</td></tr> <tr> <td>Shawnee UBR et al S. Walsingham 3-5-1</td><td>Wildcat (Ontario) abandoned</td></tr> <tr> <td>Shawnee UBR N. Walsingham No. 1</td><td>Wildcat (Ontario) abandoned</td></tr> <tr> <td>Townsend UBR et al Bayham 114 NTR</td><td>Wildcat (Ontario) abandoned</td></tr> <tr> <td>Shawnee UBR Malahide 3-21-11</td><td>Wildcat (Ontario) abandoned</td></tr> <tr> <td>Bayham 2-8-IV</td><td>Wildcat (Ontario) abandoned</td></tr> </table> <p>In addition, an exploratory well—Murphy et al Comrey 11-15-2-5 W4, was drilled on acreage in which the Company has an interest at no cost to the Company. The well was abandoned.</p> <p>Currently the Company is participating in the following wells:</p> <p>UBR Chiefco Sturrock 10-7-41-16 W5 Wildcat (Alberta)</p> <p>UBR et al Bailldon 7-25-15-25 W2 Wildcat Location (Saskatchewan)</p> <p>A certain amount of further exploratory and development drilling is contemplated on the Company's Strachan land holdings but is dependent upon the results of current drilling in the general area.</p> <p>Possibly step-out tests will be drilled to the recent success announced by Banff on their well drilled in Section 25-36-10 W5 and no doubt a development programme will eventually be carried out to further define the Cardium reserves found in the Amerada et al Ricinus 16-26-36-9 W5 well.</p> <p>The Company expects to have three wells drilled on its acreage in Avonlea, Saskatchewan, by August, 1970, and the Company may participate in the cost of drilling or farmout its interest.</p> <p>The Company will continue its participation in construction of the Strachan field gas processing plant presently in the early stages of construction with completion scheduled for December, 1970. Resultant products will be natural gas, liquid products, and sulphur.</p> <p>In general, the Company's future plans will be to further acquire and explore mineral and oil and gas properties.</p>	Amerada et al Strachan 10-17-38-9 W5	Wildcat (Alberta) abandoned	Stampede Banff Aquit N. Paddy a-63-J/94-H-16	Wildcat (British Columbia) abandoned	B.A. et al Strachan 11-27-37-9 W5	Development (Alberta) capped gas well	Gulf et al Strachan 11-22-37-9 W5	Development (Alberta) capped gas well	Amerada et al Ricinus 16-26-36-9 W5	Wildcat (Alberta) capped gas well	Gulf et al Strachan 10-24-37-9 W5	Wildcat (Alberta) suspended	Gulf et al Ricinus 7-28-36-8 W5	Wildcat (Alberta) abandoned	Omega et al Sapphire 7-28-2-5 W4	Wildcat (Alberta) capped gas well	Amerada et al Ricinus 10-34-36-9 W5	Wildcat (Alberta) abandoned	KR et al Callum 15-15-12-2 W5	Wildcat (Alberta) abandoned	Canso Eureka 8-18-31-22 W3	Wildcat (Alberta) oil well	Gulf et al Strachan 11-28-37-9 W5	Development (Alberta) capped gas well	UBR Gulf Blackstone 8-3-42-18 W5	Wildcat (Alberta) abandoned	Gulf et al Strachan 10-21-37-9 W5	Development (Alberta) capped gas well	Shawnee UBR et al Bayham 127 STR	Wildcat (Ontario) abandoned	Shawnee UBR S. Walsingham 3-4-A	Wildcat (Ontario) capped gas well	Shawnee UBR et al S. Walsingham 3-5-1	Wildcat (Ontario) abandoned	Shawnee UBR N. Walsingham No. 1	Wildcat (Ontario) abandoned	Townsend UBR et al Bayham 114 NTR	Wildcat (Ontario) abandoned	Shawnee UBR Malahide 3-21-11	Wildcat (Ontario) abandoned	Bayham 2-8-IV	Wildcat (Ontario) abandoned
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<p>34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.</p>	<p>January 12, 1970, (as of November 1, 1970) John P. Strong Petroleum Consultant, Dallas, Texas.</p>																																										
<p>35. Full particulars of production to date.</p>	<p>For details see Appendix 6, page 18.</p>																																										
<p>36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.</p>	<p>None paid.</p>																																										
<p>37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.</p>	<p>Mr. A. H. Ainsworth 625-925 West Georgia Street Vancouver, British Columbia.</p>																																										

38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.
- (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.
- (c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.

Vancouver Stock Exchange, March 31, 1969.

No, excepting only this subject application.

No.

39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.

The following are the Officers and Directors of the Company and their occupations for the past five years:

<u>Name and Address</u>	<u>Occupation</u>	<u>Office Held</u>
<i>Kenneth P. Bottoms</i> 343 Willowridge Place Calgary, Alberta	Geologist	Director
Presently and 1969, President—The Buttle Lake Mining Company Ltd. to June 30, Vice-President—United Bata Resources Limited. 1968, Secretary and Co-Manager—Stampede Oils Ltd. 1966, 1967, Secretary-Treasurer and Co-Manager—Resource Management Ltd. (Petroleum and Mining Consultant). 1964, 1965, Canadian Manager—Midwest Oil Corporation.		
<i>Zave M. Climan</i> 404-4115 Sherbrooke Street West Westmount 215, Québec	Investment Counsel	Director
Presently and 1967-1969—Investment Counsel. 1965, 1966, Financial Adviser—Industrial Development Bank of Israel Limited. 1961-1965, Vice-President Finance—M. Loeb Limited, Ottawa, Ontario.		
<i>Aaron L. Colvin</i> 6246 Rex Street Dallas, Texas	Oil Executive	Director
President—United Bata Resources Limited, January 7, 1969, to April 18, 1969. Actively engaged in the oil and gas industry since 1929 in various management executive and independent capacities. During the last eighteen years he has been closely associated in an administrative capacity with Mr. Frank A. Schultz (whom see below).		
<i>James B. Cotsworth</i> 64 Woodlark Drive Calgary, Alberta	Accountant	Secretary-Treasurer
Presently and 1969, Secretary-Treasurer—United Bata Resources Limited. 1958-1969, Vice-President Finance, Secretary-Treasurer—Gibson Petroleum Company Limited.		
<i>Phillip J. DeZwirek</i> 605-372 Bay Street Toronto 1, Ontario	Management Consultant	Vice-President
Principal shareholder of Viceroy Investments Corporation Ltd. Financier and Barrister.		
<i>Adam A. W. Kryczka</i> 2205 Hope Street Calgary, Alberta	Geologist	President and Director
Presently and 1969, President—United Bata Resources Limited. 1968, President and Co-Manager—Stampede Oils Ltd. 1966, 1967, President and Co-Manager—Resource Management Ltd. (Petroleum and Mining Consultants). 1964, 1965, District Geologist—Canadian Export Gas and Oil Limited—Midwest Oil Corporation.		
<i>Richard S. Lennie</i> 1118 Highland Place Vancouver, British Columbia	Company Executive	Director
Presently and 1967-1969, President—Lenwood Investments Ltd. and Officer and Director of several mining and oil companies. 1957-1967, Executive—CKWX Radio, Vancouver.		
<i>William H. Price</i> 7224 Kananaskis Drive Calgary, Alberta	Professional Engineer	Vice-President and Director
Presently and 1969, Vice-President—United Bata Resources Limited. 1967, 1968, Vice-President—Bata Resources Limited. 1966, 1967, Assistant to Exploration Manager—Husky Oil Canada Limited. 1965, 1966, Consultant. Prior-President—Midwestern Industrial Gas Limited.		
<i>Frank A. Schultz</i> 730 Fidelity Union Tower Dallas, Texas	Oil Executive and Consultant	Chairman of the Board of Directors
Independent oil operator and rancher. President—Planet Oil and Mineral Corporation since organization 1965. Director—TransCanada Pipe Lines Limited since 1954. Since 1965, has been the U.S. representative of Sonatrach (The Algerian National Oil Company) serving in a consulting capacity. American member Natural Gas Committee International Gas Union.		

40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing.	There are no material contracts which are not disclosed under the other items herein and in the Appendices hereto save and except for management contracts as follow: For details see Appendix 4, page 16.
41. Any other material facts not disclosed in the foregoing.	There are no other material facts. The shares of the Company are not in the course of primary distribution to the public. However, for details see Appendix 5, page 16.

42.

STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of March 17, 1970

FREE STOCK	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	7,531,456
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	450,004
Total free stock	7,981,460

ESCROWED OR POOLED STOCK	
(c) Held in escrow or pool as set out in Item 19 of this application	500,000
Total issued capital	8,481,460

RECORD OF SHAREHOLDERS	
Number of registered shareholders holding shares in class (a) above	5,887
Number of registered shareholders holding shares in class (b) above	9
Number of registered shareholders holding shares in class (c) above	22

43.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

as of March 17, 1970

Number		Shares
2745	..... Holders of 1 — 100 shares	194,604
2612	..... " " 101 — 1000 "	993,529
226	..... " " 1001 — 2000 "	336,763
79	..... " " 2001 — 3000 "	207,455
41	..... " " 3001 — 4000 "	146,592
31	..... " " 4001 — 5000 "	142,471
182	..... " " 5001 — up "	6,430,046
5916	Stockholders	Total shares 8,481,460

Dated at Calgary, Alberta, the 30th day of April, 1970.

UNITED BATA RESOURCES LIMITED
(Non-Personal Liability)



Per: "A. D. KRYCZKA",
President

Per: "J. B. COTSWORTH",
Secretary-Treasurer

APPENDIX 1 (A)

(a) *General Statement:*

The Company acquired all the business and property of Bata Resources Limited ("Bata"), Galaxy Copper Ltd. ("Galaxy"), and Stampede Oils Ltd. ("Stampede") in consideration for a total of 7,802,015 shares of its capital stock issued to the Liquidators of the three predecessor companies for distribution to their shareholders on the following basis:

- (1) 2,764,215 shares of the Company for distribution to the shareholders of Bata on the basis of one such share of the Company for every share of Bata held;
- (2) 1,831,788 shares of the Company for distribution to the shareholders of Galaxy on the basis of one such share of the Company for every 2½ % shares of Galaxy held, with the proviso that such additional number of shares of the Company will be issued to the Liquidator of Galaxy as may be required to make up one full share of the Company for any fractional share of the Company to which any shareholder of Galaxy would otherwise be entitled;
- (3) 3,206,012 shares of the Company for distribution to the shareholders of Stampede on the basis of two such shares of the Company for every share of Stampede held.

Notices of the distribution by the three Liquidators, on the basis set out above, of the shares of the Company which they hold have been mailed to the shareholders of Bata, Galaxy, and Stampede, together with the requisite Letters of Transmittal under cover of which the shareholders of the three predecessor companies are required to surrender the shares of the predecessor companies which they hold in exchange for the shares of the Company to which they are entitled. The shares of Bata are to be surrendered to Canada Permanent Trust Company, Vancouver, Regina, and Toronto; shares of Galaxy, to Canada Permanent Trust Company, Vancouver; and Stampede, Guaranty Trust Company of Canada, Vancouver and Calgary.

(b) *Petroleum and Natural Gas Properties and Interests Acquired from Bata, Galaxy and Stampede:*

In addition to the current assets, investments and other assets (working capital of \$260,379) of Bata, Galaxy and Stampede, the Company acquired the following petroleum and natural gas properties:

(1) Strachan Field:

(A) *Interests Acquired from Predecessors*

In the Strachan Field situate in western-central Alberta, 80 miles west of Red Deer, the Company acquired from its predecessors interests in two successful Leduc (D-3) wells. These interests derived from the participation by the three predecessor companies in a farmout granted by the British American Oil Company ("B.A.") to Stampede by an agreement dated April 11, 1967, ("the farmout") pursuant to which the initial farmout well (Stampede-B.A.-Strachan 6-33-37-9 W) was drilled to depth of 14,100 feet during 1967 and completed for gas production from the (D-3) Leduc formation at a total cost to all the participants (including Bata, Galaxy, and Stampede) of some \$725,000.

By drilling the discovery well, the three predecessor companies acquired working interests, options to earn working interests in adjoining leases and rights to participate in the purchase of additional lands, all of which are now vested in the Company, as follows:

(B) *Farmout Lands and Option Rights—*

Earned interest in wellsite spacing unit:

The Company holds a 67½ % working interest in the 640-acre wellsite spacing unit (Section 33-37-9 W5), subject to a 5% to 15% sliding scale royalty reserved to B.A. on oil production (i.e., for each 100 barrels of oil produced monthly B.A. will receive 1% of production but not less than 5% nor more than 15% of total production) and a royalty reserved to B.A. on gas production being the greater of 15% of total production or 1½¢ per MCF. After recovery from the sale of production of all drilling and completion costs, B.A. may exercise its option to "back in" for a 50% working interest whereupon the net working interest of the Company in the wellsite spacing unit would be 33.75%.

Earned interest in adjacent sections:

In 12 sections (less the wellsite spacing unit) in Twp. 37 and 38, R9, W5M, the Company holds a net interest of 33.75%.

Option rights:

The Company acquired from its predecessors the right to participate in the drilling of two option wells, and for each such well drilled in which it participated, to earn interests in a further 12 sections, or in a total of 24 sections if both option wells were drilled.

Note:

The Company elected to participate in drilling of first option well and by doing so will earn an interest in first option block of 12 sections in Twp. 38, R9 and 10, W5M. By participating in the drilling of the second option well, it will earn a like interest in the second option block in Twp. 36 and 37, R8, 9 and 10, W5M. The interests which the Company will now earn by participating in the first option well and which it is entitled to earn if it elects to participate in the second option well are as follows:

in the wellsite spacing units, working interest of 32.7%, subject to the royalties reserved to B.A. previously set out and the right of B.A., after payout, to "back in" for a working interest, whereupon its net interest would be 16.35%;

in the remainder of each of the option blocks, a net interest of 16.35%.

(C) *Participation in additional lands acquired—*

Drilling Reservation 1775:

By participating in the purchase, at a Crown sale held on November 28, 1967, of Drilling Reservation 1775, comprising some 12,800 acres in the Strachan area, the three predecessor companies acquired the following undivided net interests for their proportionate share of the purchase price determined in accordance with the farmout and a prior agreement entered into by Stampede with Amerada Petroleum Corporation ('Amerada') for preliminary seismic work prior to the drilling of the farmout well:

				Share of Cost	Interest
Bata	....	....	....	\$42,229.97	2.684%
Galaxy	....	....	....	\$32,015.48	2.013%
Stampede	....	....	....	\$68,664.65	4.377%

and, in the result, the Company now holds an undivided 9.074% interest therein.

Crown Reserve Parcel 4919:

The three predecessor companies also participated in the purchase, at a Crown sale held on July 30, 1968, of Crown Reserve Parcel 4919, also in the Strachan area, and paid their pro rata share of the costs (determined as aforesaid), as follows:

Bata: \$457.33, Galaxy \$343, Stampede \$745.80, and the Company now holds the same net interest therein as it holds in Drilling Reservation 1775 set out above.

Note:

In addition to the rights and royalties reserved to B.A., the interests earned, purchased or earnable in all the Strachan properties by the Company are subject to Crown Royalties and its pro rata share of a gross overriding royalty reserved to Tamarack Petroleums Ltd. equivalent to 5% of the interests of the Company and two other participants, namely, Silver Arrow Explorations Ltd. (N.P.L.) and Cariboo Gold Quartz Mining Ltd. (N.P.L.), in the Strachan properties.

- (2) The Company also acquired the following oil and gas producing properties, land interests and farmout rights from its predecessors:

(A) Rain Lake, Alberta:

20 interest in Section 23-110-8-W.6 on which oil well (Aderoil-CDR-Union-Rainbow-5-23) completed and in production.

(B) Kisbey Property, Saskatchewan:

100% interest in T.N.R. et al Kisbey 7-30 completed as oil producer on March 30, 1968.

(C) West Drumheller, Alberta:

10% interest in 5 Crown Leases and 12 wells of which one suspended, 8 producing, 2 capable surplus and 1 water injection. (Operator's estimate of Company's remaining share of reserves: 110,000 bbls.)

(D) 3% Gross Overriding Royalty on four Exploratory Permits, Beaufort Sea, Arctic Coastal area, comprising a total of 258,920 acres, of which 3 Permits form a solid block in the Liverpool Bay region. *Note:* Following acquisition of these 4 Permits from Bata, the Company sold them to Guaranty Trust Company of Canada, of Calgary, acting for an undisclosed principal, and received \$1,035,680 in cash, but retained a 3% gross overriding royalty on any production therefrom.

(E) Eureka Area, Saskatchewan:

Canso Eureka Unit: Bata during 1968 participated to extent of its 7.5% interest in 4 additional wells on this acreage in which it held an interest for many years. The new wells are Canso Eureka 7-18-31-22-W.3M, 1-18-31-22-W.3M, 10-18-31-22-W.3M and 2-18-31-22-W.3M, two of which are producing oil and the other two are expected to commence oil production shortly.

(F) South Eureka Unit (operated by Golden Eagle):

0.37344% interest in unit which will net the Company some \$125 per month.

(G) North Eureka Unit (operated by Mesa Petroleum):

8.6207% royalty on production from 3 wells presently producing, yields only nominal income.

(H) Malmo Area, Alberta:

7½% interest in P.&N.G. Leases covering SW¼ S.23, Twp. 44, R.22, W.4M and NE¼ 23-44-22-W.4M, and in producing well C. Highcrest Malmo 7-23-44-22 from which the Company expects to receive income of \$130 to \$190 per month.

(I) Viking-Dodsland Area, Saskatchewan:

0.40365% interest in Viking-Dodsland Gas Unit presently nets only nominal income.

(J) Bowdoin Area, Montana:

⅜ interest in 32,422.21 net acres of Federal and private P.&N.G. Leases (held by wholly-owned Montana subsidiary).

(K) Natrona County, Wyoming:

10% of ⅞ working interest in 7,400 acres of Federal, P.&N.G. Permits (held by wholly-owned Montana subsidiary).

APPENDIX 1 (A)—Continued

(L) Virgo Area, north-western Alberta:

Net carried interest in Crown Petroleum and Natural Gas Lease No. 15424 issued November 5, 1968, equivalent to $12\frac{2}{3}\%$ of $33\frac{1}{3}\%$ of 10%. Interest earned by Bata contributing late in 1968 $12\frac{2}{3}\%$ of seismic costs pursuant to agreement with Consolidated Energy Corporation Ltd. which thereafter entered into farmout agreement with Banner Petroleum Limited et al who drilled, at no cost to Bata or the Company, a well at Lsd 15-13-115-6-W.5M which is presently being completed as a Keg River oil well.

(M) Davey Lake, Alberta:

$37\frac{1}{2}\%$ working interest in S.27 and 33 in 34-27W.4M and S.3-35-27W.4M (on which well drilled and abandoned in 1967).

(N) Smith Coulee, Southern Alberta (Five Star Farmout):

70% interest in NW $\frac{1}{4}$ 3-4-11W.4M, and 20% in remaining $\frac{3}{4}$ of S.3; 40% interest in SE $\frac{1}{4}$ 6-2-15W.4M, and 20% in remaining of $\frac{3}{4}$ of S.6.

(O) Shekillie Reservation, north-eastern British Columbia:

$12\frac{1}{2}\%$ interest in wellsite spacing unit on which capped gas well completed (subject to 10% g.o.r. and 50% "back in" rights); $6\frac{1}{2}\%$ interest in some 8,646 net earned acres.

(P) Manyberries-Comery, southern Alberta:

25% interest in 7,529 acres on which TNR-Omega-Comrey 10-27-2-5.W4 completed as a dry hole.

(Q) Royalty interest in acreage in Mackenzie Delta:

Total of 265,631 acres: 2% overriding royalty on 43,343 acres and 1% on 222,288 acres.

(R) North Benson, Saskatchewan:

Stampede by drilling 2 wells (Whitehall et al North Benson 16-10 and Whitehall North Benson 4-14-7-8-W.2M) holds 50% net interest in 160 acres, and 25% interest in 800 additional acres.

(S) Shekillie area, north-eastern British Columbia:

$1\frac{1}{2}\%$ overriding royalty on 8,632 net acres.

(T) Grand Forks, Alberta:

Undivided 75% interest in 160 acres: Twp. 11, R.13, W4M: well drilled and abandoned.

(U) Cheddarville, Alberta:

Option to earn 25% interest in S.10, Twp. 38, R.8, W5M, by contributing 75% of cost of test well.

Note:

The Company has allowed two Sulphur Prospecting Permits in Alberta in which Bata and Stampede had each held undivided 50% interests to lapse on January 30, 1969, in view of the fact that the results of preliminary exploration did not justify their retention.

(3) *Farmouts Acquired by Company from Predecessors on which Work Carried Out by Company:*

(A) North Paddy, north-eastern British Columbia:

Stampede and Bata had participated in the drilling of a wildcat well on Drilling Reservation No. 145 on a farmout granted to Stampede by Banff Oil Ltd. which was suspended on March 6, 1968, due to abnormal conditions after reaching 2,800 feet. Drilling was resumed by Stampede and Bata late in 1968, and by an agreement dated December 11, 1968, Charles Cobb IV and Dudley D. Taylor, both of Marshall, Texas, agreed to contribute a total sum of \$75,000 to earn an interest (estimated at 20%) in the proportion which such contribution bore to the total drilling cost. After December 20, 1968, (the effective date of the acquisition by the Company of the business and property of its three predecessors) the Company continued the drilling to a depth of 8,685 feet and thereupon abandoned the well as a dry hole.

(B) Happy Valley, southern Alberta Foothills Belt between Pincher Creek and Turner Valley:

An undivided 20% interest in 44,800 acres comprised in Alberta Petroleum and Natural Gas Reservation No. 1174 acquired from Stampede, which had previously acquired the interest from Chancellor Consultants Ltd., 627-6th Avenue S.W., Calgary, Alberta. The remaining interests in the Reservation held by Colonial Oil & Gas Limited, as to 60%, and International Energy Corporation Ltd., 404-510 West Hastings Street, Vancouver, British Columbia, as to 20%. All interests subject to Crown Royalties and a 3% gross overriding royalty reserved to Mesa Petroleum Company, 630-6th Avenue S.W., Calgary, Alberta.

(4) *Mining Properties Acquired by Company from its Predecessors:*

(1) Kamloops Mining Property (formerly held by Galaxy):

100% interest in 6 Crown-granted and 46 recorded mineral claims situate in the Kamloops Mining Division of the Province of British Columbia. This property was acquired by the Company upon the condition that the Company will enter into a formal agreement with Kimberley Copper Mines Ltd. (N.P.L.) ('Kimberley'), incorporating the terms and conditions of a proposal made by Kimberley to Galaxy as accepted by the Directors of Galaxy and ratified by its shareholders, a summary of which is as follows:

Kimberley is entitled, by expending or committing to expend monies in further exploration and development of the Kamloops property, to earn an equal interest with the Company in a new company ('the new Company') which, subject to the performance of the conditions hereinafter set out, may be formed by Kimberley under the laws of British Columbia to acquire title to the whole interest in the Kamloops property, as follows:

I. Subject always to the right of Kimberley to elect at any time, on or before August 1, 1971, to

APPENDIX 1 (A)—Continued

form the new Company and to pay to it the difference between the sum of \$400,000 and the total amount theretofore expended on the Kamloops property by Kimberley, Kimberley is to expend:

(A) during the period of inception until August 1, 1969, as a firm commitment, the sum of not less than \$120,000, commencing not later than January 15, 1969;

(B) during the period from inception until August 1, 1970, as a firm commitment, if Kimberley elects, on or before August 1, 1969, to carry out further work, a sum of not less than \$240,000 in total;

(C) during the period from inception until August 1, 1971, as a firm commitment, if Kimberley elects, on or before August 1, 1970, to carry out further work, a sum of not less than \$400,000 in total.

II. At any time on or before August 1, 1971, Kimberley, upon expending not less than \$400,000 in aggregate in exploration of the Kamloops property or paying to the new Company the difference between the amount so expended by Kimberley and the sum of \$400,000 would be entitled to have conveyed to it by the Company an undivided fifty per cent (50%) interest in the Kamloops property whereupon the Company and Kimberley would each convey their respective undivided 50% interests therein unto the new Company for shares of the new Company to be issued to them in equal portions.

III. Following the acquisition of the Kamloops property by the new Company, both the Company and Kimberley would have the right to maintain their 50% equity in the new Company by taking up their pro rata portion of any additional shares issued by the new Company from time to time.

(2) Mt. Copeland Mining Property, Revelstoke, British Columbia, (formerly held by Stampede):

Undivided 30% interest in 196 recorded mineral claims and undivided 25% interest in further 74 claims and undivided 50% interest in approximately 300 additional claims:

(3) Mining claims held in the Pine Point area of the Northwest Territories:

(A) 100% interest in group of 35 recorded mining claims, all in good standing until 1972: no current work;

(B) 100% interest in group of 31 recorded mining claims, all in good standing until 1971;

(4) Agnew Lake, Blind River Uranium area, Ontario:

100% interest held for the Company in 29 unpatented mining claims: no current work.

APPENDIX 1 (B)

By an agreement dated May 28, 1969, ("the assignment") Ensign Oils, Inc. ("Ensign, Inc.") agreed to assign unto Bata Resources, Inc. ("Bata, Inc."), United Bata's wholly-owned Montana subsidiary, the right to acquire, for the cash payments hereinafter set out and subject to the overriding royalty and net profit interest hereafter described, a 45% working interest in certain offers to lease which, at the date of the assignment, comprised some 140,000 acres more or less of petroleum and natural gas leases situate on the North Slope of Alaska, the title to which may be a matter of dispute both in terms of native rights, and as to whether the same fall within Federal or State jurisdiction. The consideration payable for such assignment was 17,770 shares of United Bata, which are to be allotted and issued to Ensign, Inc., being the equivalent in shares of United Bata at the closing bid price on Vancouver Stock Exchange on May 28, 1969, of the cash value of \$157,500 in U.S. funds (\$169,706.25 Canadian) attributed in the assignment to the right thereby assigned to Bata, Inc. Under the assignment, Ensign, Inc. retains the right to receive a share of the total income received from any production after the deduction of all operating costs and the recoupment by United Bata of all acquisition costs incurred by it by way of the share consideration at the attributed value and the annual cash payments to be made by United Bata to maintain the right to acquire the interest in the offers to lease. The share of income to which Ensign, Inc. would be so entitled is to be the percentage net working interest of United Bata in the property (currently 45%) of 17.5% of such total income (after deductions). Ensign, Inc., a Montana corporation, is the wholly-owned subsidiary of Ensign Oils Limited, a public company, and both have their head offices situate at 1050 Elveden House, Calgary 2, Alberta, and United Bata dealt with them entirely "at arm's length".

The right to acquire the 100% interest in the offers to lease had been granted by G. N. Petroleum Corp., an Alaskan corporation, and its agent, Gary N. Boyd, of Anchorage, Alaska, as the optionors, to Ensign, Inc. and Supertest Petroleum, Inc. ("Supertest") as to a 50% interest each, by an agreement dated October 16, 1968, ("the option"). Under the option three cash payments were required to be made to the optionors if and to the extent that the rights granted thereunder were to be maintained. The first such payment of \$1.25 per acre was paid by Ensign, Inc. and Supertest upon execution of the option. The second and third payments of \$1.25 and \$2.50 per acre, payable, respectively, on or before December 15, 1969, and December 15, 1970, were subject to the right of Ensign, Inc. and Supertest to abandon all rights under the option or, alternatively, to abandon their rights with respect to such portion, as they may elect, of the acreage comprised in the offers to lease. Upon United Bata acquiring from Ensign, Inc. the right to acquire a 45% working interest in the offers to lease, United Bata assumed the obligation, if and to the extent that it elected to maintain such right, to contribute a 45% share of the two remaining annual acreage payments. United Bata, Supertest and Ensign prior to December 15, 1969, reduced the acreage in which they retain an interest, by way of abandonment, in favour of the optionors, to 35,214 acres, and paid the \$1.25 per acre payable on that date on the retained acreage, of which United Bata's share was \$19,808.88. By virtue of such payments the rights granted under the option will be maintained until December 15, 1970, when the final acreage payment is payable on such acreage as they may then elect to retain.

If leases of the retained acreage are issued, the optionors will be entitled to a 4% overriding royalty on all production. If the offers to lease were found to be not "the first qualified offers" and were rejected on that account, United Bata et al would be entitled to a full refund of the cash payments made to the optionors and, in

APPENDIX 1 (B)—Continued

the case of United Bata, of the share consideration paid to Ensign, Inc. If, on the other hand, the offers proved to be "the first qualified offers" but for other reasons no leases were to be issued pursuant thereto, United Bata et al would be entitled to receive, with respect to the initial payment of \$1.25 per acre, a refund of 50¢ per acre, being the portion of the initial payment paid by the optionors by way of the first annual rental on the total acreage comprised in the offers to lease, but United Bata, in that event, would not be entitled to a refund of the share consideration paid to Ensign, Inc.

Pending determination of the question of whether leases will issue, no work on the property is planned other than such preliminary geological analysis as the information available may permit for the purpose of determining what acreage should be retained.

APPENDIX 1 (C)

Pursuant to Trust Indenture dated as of the first day of January, 1969, between the Company and National Trust Company Limited, as the Trustee, the Company created and sold on January 16, 1969, convertible First Mortgage Bonds in an aggregate principal sum of \$500,000 of lawful monies of Canada, all of which were on that date taken up at par for investment purposes by a financing group headed by Frank A. Schultz of Dallas, Texas, presently the Chairman of the Board of the Company, who had agreed to furnish such financing to Bata in August, 1968, prior to Mr. Schultz becoming a Director of Bata, and the Company received the full sum of \$500,000 therefor.

On October 31, 1969, pursuant to the terms and conditions attaching to such debentures, debentures in the principal amount of \$493,000 were converted by the holders thereof into 493,000 common shares at a conversion price of \$1.00 per share. Subsequently on December 23, 1969, the remaining debentures in the principal amount of \$7,000 were converted into 7,000 common shares at the same conversion price of \$1.00 per share.

APPENDIX 2 (A)

A total of 181,666 shares of the Company are presently under option by way of incentive stock options either granted by the Company or assumed by it as an obligation of one of its predecessors, or granted by the Company itself to new key employees, made up as follows:

Optionee	No. of Shares Remaining under Option	No. of Shares in each Annual Installment	Period of Annual Installment	Option Price
Frank A. Schultz 730 Fidelity Union Tower Dallas, Texas 75201	25,000	25,000	January 7/71-January 6/72	\$2.00
Adam A. W. Kryczka 2205 Hope Street Calgary, Alberta	66,666	33,333 33,333	January 7/70-January 6/71 January 7/71-January 6/72	3.25 3.50
Phillip DeZwirek 605-372 Bay Street Toronto 1, Ontario	30,000	30,000	August 1/70-July 31/72	2.00
William H. Price 7224 Kananaskis Drive Calgary, Alberta	15,000	15,000	August 1/70-July 31/72	2.00
James B. Cotsworth 64 Woodlark Drive Calgary 5, Alberta	15,000	5,000 5,000 5,000	October 1/69-September 30/70 October 1/70-September 30/71 October 1/71-September 30/72	5.00 5.00 5.00
Norman S. Brumwell 2212-45th Street S.W. Calgary, Alberta	15,000	5,000 5,000 5,000	October 1/69-September 30/70 October 1/70-September 30/71 October 1/71-September 30/72	5.00 5.00 5.00
J. Kenneth Grove 811 Crescent Boulevard Calgary, Alberta	15,000	5,000 5,000 5,000	October 14/69-October 13/70 October 14/70-October 13/71 October 14/71-October 13/72	5.00 5.00 5.00
Total		181,666		

APPENDIX 2 (B)

Warrants were attached to the Company's 7½ % convertible debentures [now converted to common shares, see Appendix 1 (C)] entitling the holders thereof to purchase up to a total of 500,000 shares of the Company. Pursuant to the terms and conditions of the trust indenture these warrants were detached from the debentures on July 1, 1969, and are now exercisable up to 2 p.m. on January 1, 1979, but will become null and void thereafter. Such warrants are exercisable, in whole or in part, upon payment of the following prices within the following periods:

Period	Exercise Price Per Share
During the 18-month period commencing July 1, 1969, and ending December 31, 1970	\$1.50
During the 24-month period commencing January 1, 1971, and ending December 31, 1972	\$2.00
During the 24-month period commencing January 1, 1973, and ending December 31, 1974	\$2.50

APPENDIX 2 (B)—Continued

During the 24-month period commencing January 1, 1975, and ending December 31, 1976	....	\$3.00
During the 24-month period commencing January 1, 1977, and ending January 1, 1979	....	\$3.50

The exercise price for the warrants is subject to adjustment in the event that any common shares are issued for consideration less than the exercise price then in effect and in the event of any sub-division, consolidation or reclassification of the common shares or in other cases where dilution of the warrants would result.

WARRANT HOLDERS

<u>Name</u>	<u>Warrants to Purchase Common Shares</u>
Aaron L. Colvin	15,000
Mrs. Laverne W. Santerre	5,000
William G. Webb	10,000
Frank A. Schultz III	1,000
Christian D. Schultz	1,000
Frank A. Schultz	75,000
Bessie Barree	1,000
Dewey G. Burger	1,000
John S. Goff	2,000
William Kurecka	1,000
Frankie D. Lacy	1,000
Ora D. Runyon	3,000
Susie Schultz	1,000
Lottie Wohbold	1,000
Dudley D. Taylor	95,000
David C. Smith	73,000
Whit H. Clark	24,000
L. D. Smith	38,000
Charles Cobb IV	145,000
Republic National Bank of Dallas	
A/C Charles Herridge Schultz	4,000
A/C Ann Katherine Schultz	2,000
A/C Mary Elizabeth Schultz	1,000
TOTAL	500,000

APPENDIX 3

The following are the five largest registered shareholders of United Bata (exclusive of the Liquidator of Bata Resources Limited (N.P.L.) (In Voluntary Liquidation) as at March 17, 1970:

<u>Name and Address</u>	<u>No. of Shares</u>
Richardson Securities of Canada 173 Portage Avenue East Winnipeg, Manitoba	462,935
Nesbitt, Thomson & Co. Ltd. 355 St. James Street West Montréal, Québec	356,490
Doherty, Roadhouse & McCuaig Simpson Tower Toronto, Ontario	224,555
Standard Securities Ltd. 185 Bay Street Toronto, Ontario	213,765
Bache & Co., Inc. 18 King Street East Toronto, Ontario	193,274

None of the above-described shareholders would appear to be beneficial.

APPENDIX 3—Continued

The Liquidators of United Bata's predecessors continue to hold in their names certain shares of United Bata for distribution, on the basis hereinafter set out, to the shareholders of the predecessor companies upon the latter surrendering to the respective Registrar and Transfer Agent of the predecessors, as herein-after indicated, the certificates representing the shares of the predecessor to which they are entitled, as follows:

<u>Liquidator</u>	<u>Number of Shares of United Bata held</u>	<u>Distribution Rates</u>	<u>Trust Company to which shares of Predecessor to be Surrendered</u>
Allan H. Ainsworth Liquidator of Bata Resources Limited (in Voluntary Liquidation)	307,671	1 share of United Bata for 1 share of Bata Resources Limited	Canada Permanent Trust Company at either: 455 Granville Street Vancouver 2, British Columbia or: 1778 Scarth Street Regina, Saskatchewan
Thomas G. Kendall Liquidator of Galaxy Copper Ltd. (in Voluntary Liquidation)	47,270	1 share of United Bata for 2½ shares of Galaxy Copper Ltd.	The Canada Permanent Trust Company 901 West Pender Street Vancouver 1, British Columbia
William J. Worrall Liquidator of Stampede Oils Ltd. (in Voluntary Liquidation)	42,296	2 shares of United Bata for 1 share of Stampede Oils Ltd.	Guaranty Trust Company of Canada 580 Hornby Street Vancouver 1, British Columbia

APPENDIX 4

The merger minute giving effect to the acquisition of assets and the assumption of liabilities of the three predecessor companies provided that United Bata Resources Limited would retain Viceroy Investment Corp. Ltd. (of which Phillip DeZwirek is the principal shareholder) to furnish the corporate administrative services of Phillip DeZwirek and corporate office accommodation and facilities including secretarial and clerical services for a fee of \$2,500 per month and the Directors of the Company empowered the execution of an agreement to retain Viceroy Investment Corp. Ltd. The Management agreement dated January 3, 1969, for a term of five years from January 3, 1969, provides for monthly remuneration of \$2,500.

The merger minute, giving effect to the acquisition of assets and the assumption of liabilities of the three predecessor companies, provided that United Bata Resources Limited would assume the management contract entered into by Bata Resources Limited with William H. Price for the balance of the unexpired portion of the term thereof ending February 23, 1972, under the terms of which Price was entitled to receive a salary of \$22,000 per annum and the Directors of the Company empowered the execution of an agreement under the terms of which the Company expressly assumed the obligations of Bata Resources Limited to Price as assigned by Price to Price Management Limited. The management agreement dated February 17, 1969, provides that Price Management Limited be retained until February 28, 1972, to provide the services of William H. Price as its Vice-President in charge of Engineering in consideration of an annual remuneration of \$22,000.

The Company has also entered into employment contracts with other key management personnel as follows:

<u>Date</u>	<u>Name</u>	<u>Period to Period</u>	<u>Position</u>	<u>Annual Remuneration</u>
October 14, 1969	J. K. Grove	October 14/69-October 13/71	Chief Landman	\$20,400
June 18, 1969	J. B. Cotsworth	March 15/69-March 14/71	Secretary- Treasurer (Amended October 1, 1969, to \$20,700)	\$19,000
July 1, 1969	N. S. Brumwell	July 1/69-June 30/71	Chief Geologist	\$20,400
June 7, 1969	A. A. W. Kryczka	January 7/69-January 6/71	Geologist and Manager (Amended October 1, 1969, to \$40,000)	\$18,000

APPENDIX 5

The Company is presently concluding a formal Agreement with Bennett International Services Ltd., a British Columbia Company, to purchase 2,000 feet of "Kain's Offshore Filtration Boom" at a price of \$50,000. The boom so purchased will be leased back to Bennett in consideration of a rental payment by Bennett totalling \$50,000 to be made over a formula period ending not later than May 17, 1971. In addition, the Company will be paid an amount equal to 1% of Bennett's gross receipts from all sales and rentals of such booms and "oilevators" (a device to recover crude spilled into water). The subject boom when manufactured and delivered will immediately be made available for testing and demonstration in the Gulf of Mexico. The Company has also been granted an option to purchase at a formula date not later than May 18, 1970, a similar hardware to the value of \$200,000 also on a leaseback arrangement with Bennett providing for rental payments totalling \$200,000 at the rate of the greater of \$40,000 per annum or 20% of Bennett's net profits from all sales and/or

rentals of such hardware, commencing from the date of such latter purchase by United Bata. If the Company elects to make such second purchase the Company will be paid amounts equal to additional 4% of gross receipts from all sales and/or rentals thereafter of such booms and oilvators.

On April 17, 1970, the Directors of the Company approved the terms and conditions of a proposed amalgamation of the Company and Planet Oil and Mineral Corporation of Dallas, Texas. The amalgamation is subject to obtaining satisfactory tax opinions and rulings from Canadian and U.S. authorities and to the approval of the Company's shareholders. A press release dated April 17, 1970, is reproduced below.

"FOR IMMEDIATE RELEASE

April 17, 1970

"New York, N.Y.

"Mr. John S. Goff, Executive Vice-President of Planet Oil and Mineral Corporation, Dallas, Texas, and Mr. A. A. W. Kryczka, President of United Bata Resources, Ltd., Calgary, Alberta, announced that Planet and Bata had formally agreed today on the terms and conditions which would be submitted to Bata's shareholders to effect a combination of the two companies. Accord was reached on all aspects of combining the two companies, including the exchange of 1 share of Planet Common for each 5 shares of Bata Common, a change from the 1-for-6-share exchange basis previously announced.

"The Merger Agreement provides that the Board of Directors of the merged company would have equal representation from both Planet and Bata, and Mr. Charles Allen, of the New York investment banking firm of Allen and Company has agreed to become Chairman of the Board of the Company.

"In addition to Bata shareholder approval, combining of Bata into Planet is subject to obtaining satisfactory tax opinions from both the U.S. and Canada and to clearance of the securities transaction by the appropriate regulatory authorities. Both executives stated they hope that the transaction would move forward expeditiously and that all necessary documentation would be forwarded to shareholders and interested Governmental agencies as soon as practicable."

1969 GROSS PRODUCTION (bbls.)

Property	January	February	March	April	May	June	July	August	September	October	TOTAL	U.B.R. Share (bbls.)	
												Before Royalty	After Royalty
Canso Eureka battery	2,593	2,106	2,431	1,952	2,632	2,577	2,836	2,756	2,388	1,907	24,178	1,813	1,668
Rainbow 5-23	Nil	Nil	Nil	2,663	2,377	3,378	1,822	2,973	Nil	5,666	18,879	7,552	4,305
Malmo 3-23	701	150	880	873	706	705	483	723	779	739	6,739	505	442
Kisbey 7-30	733	575	615	283	622	517	505	534	495	550	5,429	5,429	4,669
South Eureka Unit	11,793	13,337	14,974	15,268	14,703	14,481	15,258	17,468	17,603	17,386	152,271	568	540
West Drumheller	9,180	8,875	9,482	8,180	5,969	6,570	5,176	5,120	6,345	5,333	70,230	7,023	5,478
												TOTAL:	17,102

NOTE—Minor royalty income from Saskatchewan properties and liquid produced from testing operations at Strachan wells is not included.

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

		COMPANY NET INTEREST								
	Province or Territory	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
ALBERTA										
Strachan Area										
Sec. 33 T37R9W5		Ptn. P&NG Ls. 106649 640 acres				67.5	432.00			
Secs. 34, 35 & W/2 36 T37R9W5, Secs. 2, 3, & 4 T38R9W5		Ls. 106649A 3520 acres				33.75	1188.00			
Sec. 14, N/2 15, N/2 16, E/2 20 & 21, 22 & 23 T37R9W5		3520 acres				33.75	1188.00			
W/2 13, Secs. 14, 23 & W/2 24 T38R9W5		Ls. 106652 1920 acres				16.33	313.5			
Secs. 16 & 17 T38R9W5		Ls. 106653 1280 acres				16.33	209.00			
Secs. 13, 14, 23, 24, 25, 26, S/2 35 & S/2 36 T38R10W5		Ls. 106661 4480 acres				16.33	731.6			
Sec. 2, NE/4 3 & SW/4 4, T37R9W5		Ls. 106646 960 acres				16.33	156.77			
Sec. 1, 2, E/2 11 & 12 T37R10W5		Ls.106658 2240 acres				16.33	365.79			
N/2 26, N/2 27, N/2 28, Sec. 33, SW & NE/4s 34, Sec. 35 T36R9W5		Ls. 106646 2560 acres				16.33	418.05			
Sec. 31 T36R9W5, S/2, Sec. 6 T37R9W5		Ls. 106647 960 acres				16.33	156.77			
E/2 35 & Sec. 36 T36R10W5		Ls. 106658 960 acres				16.33	156.77			
S/2 1 T37R9W5		Ls. 17660 320 acres				9.073	29.03			

UNITED BATA RESOURCES LIMITED (N.P.L.)

LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST						
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres Mineral Titles, Acres
<i>Strachan Area—Continued</i>							
S/2 7 T37R9W5	Ls. 17661 320 acres				9.073	29.03	
Secs. 9, 10, 11 T37R9W5	Ls. 17662 1920 acres				9.073	174.20	
Secs. 1, 7, 12, 13, 18, W/2 19, Secs. 24, 25, NE/4 26 & Secs. 27, 28, & 29 T37R9W5, SW/4 6, Secs. 7, 9, 18, 19 & 30 T38R9W5, Sec. 12 T38R10W5					9.073		987.14
			NOTE: NG License 362 cvrg. Wabamun, Nisku & Leduc Zones 10,880 acres				
Sec. 20 T38R9W5	Ls. 14576 640 acres				9.073	58.07	
E/2 35, N/2 & SW/4 36, T35R8W5, Secs. 1, 2, 3, W/2 9, E/2 12, E/2 13, W/2 16, Sec. 17, N/2 & SE/4 20, W/2 21, Secs. 27, 28, S/2 29, N/2 31, N/2 32 & Sec. 33 T36R8W5, Sec. 4, S/2 5, N/2 & SE/4, 6, S/2 & NW/4 7, Secs. 9, 16, W/2 18, W/2 19 & Sec. 30 T37R8W5				DR 1922 12,800	9.073		1161.34
Sec. 5 T37R9W5	Ls. 16300 640 acres				19.44	124.42	
N/2 Sec. 35 T38R10W5	Ls. 16403 320 acres				9.073	29.03	
N/2 Sec. 36 T38R10W5	Ls. 16404 320 acres				9.073	29.03	
N/2 Sec. 19 T36R8W5	Ls. 17120 320 acres				9.073	29.03	
S/2 Sec. 30 T36R8W5	Ls. 17121 320 acres				9.073	29.03	

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Strachan Area—Continued									
Sec. 23 T36R9W5	Ls. 17128 640 acres				9.073	58.07			
Sec. 25 T36R9W5	Ls. 17130 640 acres				9.073	58.07			
Manyberries Area									
E/2 35 & W/2 36 T2R6W4	Ls. 7081 640 acres				100.00	640.00			
Sec. 27 T2R5W4	Ls. 18854 640 acres				25.00	160.00			
W/2 Sec. 21 T2R5W4	Ptn. Ls. 4003 320 acres				12.5	40.00			
S/2 Sec. 20, Sec. 28, 29, 32, 33 T2R5W4	Ptn. Ls. 4003 2880 acres				25.00	720.00			
Sec. 15, S/2 & NW/4 Sec. 22 T2R5W4	Ls. 9278 1120 acres				12.5	140.00			
Sec. 16, E/2 Sec. 21 T2R5W4	Ptn. Ls. 9279 960 acres				12.5	120.00			
Secs. 17, 18, 19 & N/2 20 T2R5W4	Ptn. Ls. 9279 2240 acres				25.00	560.00			
Joffre Area									
W/2 Sec. 4 T40R27W4	Ls. 2937 320 acres				100.00	320.00			
NE/4 Sec. 4 T40R27W4	Ls. 2933 160 acres				100.00	160.00			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
<i>Joffre Area—Continued</i>									
NW/4 Sec. 28 T39R27W4	Ls. 2932 160 acres				100.00	160.00			
S/2 Sec. 28 T39R27W4	Ls. 2936 320 acres				100.00	320.00			
<i>West Drumheller Area</i>									
NE/4 Sec. 25 T29R21W4	Ls. 80329 160 acres				10.00	16.00			
NW/4 Sec. 25 T29R21W4	Ls. 80559 160 acres				10.00	16.00			
Lsd 1 & 3 Sec. 35 T29R21W4	Ls. 80258B 80 acres				10.00	8.00			
Lsd 2 Sec. 35 T29R21W4	Ls. 80258C 40 acres				10.00	4.00			
S/2 Sec. 36 T29R21W4	Ls. 80330A 320 acres				10.00	32.00			
<i>Rainbow Area</i>									
Sec. 23 T110R8W6	Ptn. Ls. 129041 640 acres				20.00	128.00			
<i>Happy Valley Area</i>									
Secs. 7, 18, 19 T12R1W5, Secs. 7, 8, 17-22 incl. W/2 26, Sec. 27-34 incl. & W/2 35 T11R2W5, Secs. 2-36 incl. T12R2W5, Secs. 1-7 incl., 9-12 incl., W/2 15, Secs. 16, 17 & 18 T13R2W5				Res. 1174 44,480 acres	10.00			4448.00	

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	COMPANY NET INTEREST			
					Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
<i>Malmo Area</i>								
NE/4 Sec. 23 T44R27W4	Freehold 160 acres				7.5	12.00		
SW/4 Sec. 23 T44R27W4	Freehold 160 acres				7.5	12.00		
<i>Chungo-Brown Creek</i>								
N/2 Sec. 7, Sec. 18 & W/2, Sec. 19 T42R16W5, N/2 1, N/2 2, N/2s 7-10 incl., Sec. 11-36 incl. T42R17W5				Res. 974 19,840 acres	12.5			2480.0
Sec. 6, 7, 8, 17, 18, 19 T44R18W5, Sec. 1, 11-16 incl., 21-29 incl. & 32-36 incl. T44R19W5, Sec. 1-4 incl. T45R19W5				Res. 827 19,840 acres	12.5			2480.0
Sec. 4-9 incl. & Sec. 17, 18, 19, 30 & 31 T43R17W5, Sec. 1, 2, 11-17 incl. & 20-36 incl. Sec. 1-5 incl. & Sec. 9, 10, 15 & 16 T44R18W5				Res. 701 29,440 acres	12.5			3680.0
				NOTE: Excepting thereout and therefrom all rights to Home-Breazeau No. 1 well located in the NE/4 Sec. 7, Triad-Richfield-Dome-Husky Brazeau No. 1 well, located in the NW/4 Sec. 8 and Home Brazeau Syndicate No. 1 well, located in the SW/4 Sec. 17 T43R17W5M and the holder of the Res. shall not use, disturb or interfere with such wells in any way.				
<i>Sturrock Creek</i>				Res. 791 38,720 acres	37.5			14,520
E/2 32, Sec. 33-36 incl. T40R16W5, Sec. 1-22 incl. & Sec. 27-34 incl., T41R16W5, Sec. 3-6 incl. & S/2s, Secs. 7-10 incl., T42R16W5, Sec. 1, 12, 13 & 14, Sec. 22-27 incl. & Sec. 34, 35 & 36 T41R17W5, S/2s 1 & 2, Sec. 3-6 incl. & S/2s 7-10 incl. T42R17W5								

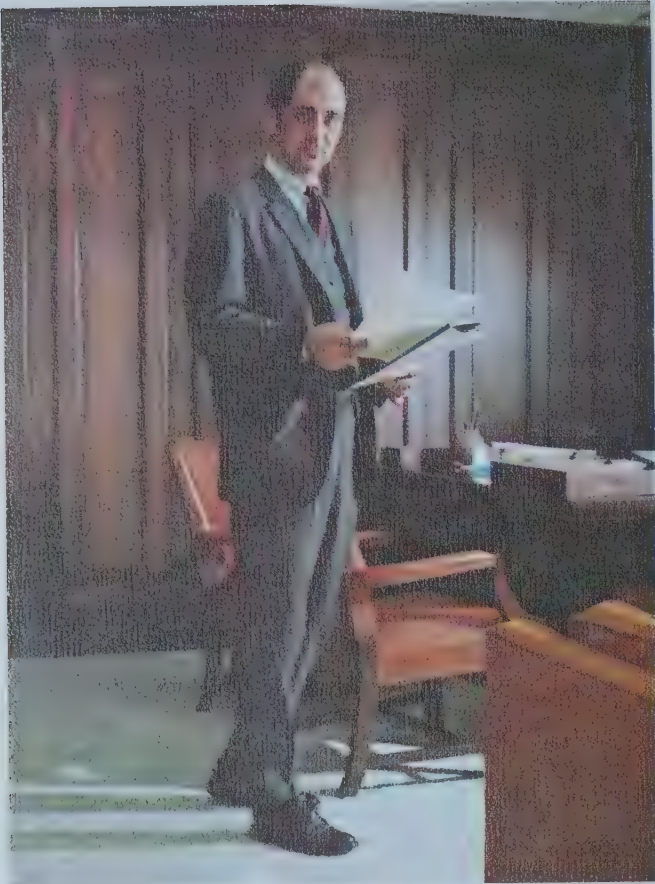
UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Blackstone									
NW/4 25, N/2 26, Sec. 33, 34, 35 & W/2 36 T41R18W5, Sec. 1-5 incl., 7-21 incl., 28-33 incl. T42R18W5, Sec. 24, 25, 26, 34, 35, 36 T42R19W5				Res. 1386 23,200 acres	12.00			2,784	
Virgo									
NE/4 Sec. 30 T115R6W6	Ls. 15424 160 acres				0.675				
SASKATCHEWAN									
Avonlea									
N/2 10 T15R24W2	F/H 1214 320 acres				16⅔	53.33			
N/2 36 T15R26W2	F/H 1217 320 acres				16⅔	53.33			
W/2 15 T15R24W2	F/H 1221 320 acres				16⅔	53.33			
N/2 9, S/2 19 T15R24W2, E/2 13 T15R25W2	F/H 1222 960 acres				16⅔	160.00			
S/2 10 T15R24W2	F/H 1227 320 acres				16⅔	53.33			
E/2 15 T15R24W2	F/H 1228 320 acres				16⅔	53.33			
NE/4 21, SW/4 27 T15R24W2	F/H 1234 320 acres				16⅔	53.33			



**united bata resources
limited (n.p.l.)**

**annual report
1969**



A. A. W. Kryczka, President, United Bata Resources Limited (N.P.L.)

FRONT COVER

Night drilling scene, at the Callum 15-15 exploratory well in the Happy Valley area, 60 miles south of Calgary. UBR has a 10% net interest in this prospect.

ulbr

1969

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REPORT
OF THE
DIRECTORS

To the Shareholders of United Bata Resources Limited (N.P.L.)

United Bata has reached an important milestone in its brief history — the completion of its first year of operations. We take pride and pleasure in presenting to you, our Shareholders, the Company's first Annual Report since its incorporation in the Province of British Columbia on October 21, 1968, and commencement of active operations on December 20, 1968.

United Bata was incorporated specifically to merge the assets and unite the independent petroleum and mineral activities of Stampede Oils Ltd., Bata Resources Limited, and Galaxy Copper Ltd.

We are pleased to report that the Company has made excellent progress in natural resource exploration and development but of equal importance is the fact that United Bata has emerged as a sound and respected corporate entity guided by an experienced and professional management group.

The primary area of activity for United Bata has been and continues to be the very important Strachan-Ricinus gas field in west-central Alberta. From the Company's interests in this area we expect important initial benefits to accrue. In addition, exploratory programmes in new areas with indicated potentials comparable to Strachan were undertaken at Blackstone, Chungo, Sturrock and Happy Valley in Alberta; at Bowser Basin in British Columbia; at Avonlea in Saskatchewan; and in the Alaskan North Slope area.

United Bata has varying exploration holdings as far north as the Mackenzie Delta and Beaufort Sea in the Arctic Ocean and as far south as Montana and Wyoming in the United States. The Company's interests also extend from British Columbia in the west to the Lake Erie region in southern Ontario in the east.

United Bata is committed to an aggressive and soundly-planned exploration and development programme which will result in the building of a major natural resource producing company to provide worthwhile, long-term benefits to the Shareholders. Your Directors believe the Company has made very important progress in working towards this goal.

CORPORATE AND FINANCIAL

Share Capital

At October 31, 1969, the Company's issued capital may be summarized as follows:

Issued to:	No. of Shares:
Subscribers	7
Bata Resources Ltd. for net assets	2,764,215
Galaxy Copper Ltd. for net assets	1,831,788
Stampede Oils, Ltd. for net assets	3,206,012
Debenture - holders upon conversion	493,000
Employees etc.	
under option agreements	136,668
Total	8,431,690



The wellhead at Gulf et al Strachan 11-22. UBR holds a 33.75% working interest in this well which encountered over 600 feet of gas pay zone in the Leduc Reef.



Initial construction at the Gulf-UBR \$20 million gas processing plant scheduled to go on stream in November, 1970. UBR holds a 20% interest in this project.



The gas plant now under construction in the Strachan-Ricinus area will be similar to this completed plant in the same vicinity. U.B.R.'s production from the new plant will be sold to Trans-Canada Pipelines Limited under a 25-year sales contract.



Drilling operations at the Company's exploratory well in the Blackstone area. During 1969, UBR participated in drilling 12 exploratory wells.

United Bata was listed on the Vancouver Stock Exchange on March 31, 1969. The Company is currently processing a formal application for listing on the Toronto Stock Exchange and expects to conclude matters early in the first half of 1970.

Banking

In July, 1969, the Company concluded a production loan agreement with the Bank of Montreal whereunder the Bank agreed to lend the Company up to \$7,000,000 as required. This credit is secured by assignments under Section 82 of the Bank Act covering the Company's interest in 6 sections of its Strachan-Ricinus holdings with provision that the Bank, if requested, will release portions of this security prior to repayment if and as such holdings appear excessive to their usual security requirements. The loan is repayable (with full prepayment privileges) in equal monthly installments over a seven-year period commencing in January, 1971, or upon initial receipt of revenues received under our sale contract with TransCanada PipeLines Ltd. whichever first occurs.

About \$4,000,000 will be required to cover the Company's indicated interest in the cost of a gas plant and related gathering system facilities now under construction in the Strachan-Ricinus district. Completion is scheduled for October, 1970, and the plant should go on stream shortly thereafter.

Present projections indicate that United Bata's share of revenue from Strachan-Ricinus sales will be approximately \$4,500,000 per annum. This source alone should amply provide for loan repayments.

We look upon this banking arrangement as being one of the more significant features of our year particularly having regard to present tight-money policies.'

Cash

The assets acquired from predecessor companies were not strongly represented by producing interests and in the result your Company has, through 1969, depended on other sources of funds to provide the means by which it has been able to maintain its exploratory and other programmes at a desirable level.

Reference to the Statement of Source and Application of Funds will readily indicate the diverse techniques employed to secure funds during the review period.

During the coming year we will naturally emphasize our capacity to draw against our bank loan as our needs may dictate.

We have also developed an excellent working relationship with a group of companies whose treasuries

Typical foothills terrain at the site of the Blackstone 8-3 wildcat well in which UBR will retain a 12% net interest.

permit their selective participation in exploratory opportunities open to United Bata. This arrangement which allows United Bata to compete for ventures at a major level, worked effectively during 1969 and we expect to continue to call upon this group to ensure continued broad exploratory exposure.

Earlier it was noted that gross revenue from Strachan-Ricinus would average \$4,500,000 per annum. On this basis, cash flow would substantially exceed bank-loan repayment obligations and we anticipate these surplus funds should provide most of our cash needs subsequent to 1970. We expect, and are confident that this source will be augmented not only by the development of further reserves and sales of production in the Strachan-Ricinus area but by success in other areas in which your Company holds significant interests.

We continue to explore all possibilities of developing cash participation on the part of others in current pending and anticipated exploratory programmes with which we are or will be involved.

The Company has also examined possible expansion through corporate acquisitions and will continue to do so during the year 1970.

Expenses

Any emergent company incurs substantial setting-up costs during its period of organization and United Bata,



particularly because of its complex involvement with the affairs of three predecessor corporations, is no exception. Certain expenses set forth within the Financial Statements must therefore be considered in such light and should not be construed to be part of a continuing pattern.

Staff

United Bata has strengthened its staff with the acquisition of experienced and professional management in the areas of petroleum exploration and development, land management, finance and accounting. It is our belief that management and staff have done an outstanding job during the past year and that the continued efforts of this group will be a vital key to the continued success of this Company.

OPERATIONS

Exploration and Development

During the past year the Company operated and participated in an intensive programme of both petroleum and mineral exploration in British Columbia, Alberta, Saskatchewan, Ontario and the Northwest Territories. Land acquisition on mineral and petroleum prospects was concentrated in prominent exploration areas of Canada and Alaska. Drilling activity was confined to those lands on which prime geological and geophysical anomalies were outlined.

Detailed information on these operational activities is set forth elsewhere in this report.

Production

OIL

United Bata's oil production for the ten-month period January - October, 1969, totalled 17,102 barrels — which figure pro-rates to 20,520 barrels on an annual basis.

Production in 1970 could increase somewhat depending on allowables.

GAS

If the Strachan plant operates at initial design capacity, the gross annual production will be as follows (based on 350 operating days per year):

Residue natural gas	70 billion cubic feet
Sulphur	290,500 long tons
Pentanes plus	1,750,000 barrels

Based on United Bata's indicated interest, our share of this production from Strachan will be about 20%.

1970 OUTLOOK

Oilmen in Canada and the United States will remember the year 1969.

During the first half of 1969, significant additions to newly discovered gas reserves at Strachan-Ricinus in west central Alberta coupled with reports of large new oil reserves at Prudhoe Bay on the North Slope of Alaska, and a vigorous exploratory drilling programme in the Canadian Arctic Islands provided the petroleum industry with a new enthusiasm for exploration.

Canadian production rates also grew during 1969. Natural gas sales increased by 500 million cubic feet per day or 14% to total in excess of 4 billion cubic feet daily and liquid hydrocarbon sales gained 121,000 barrels per day or 10.2% to total 1,138,000 barrels per day. Gas exports to the United States increased 11.4% to average 1.85 billion cubic feet per day. These increased sales enabled total national revenue from export sales of crude oil, natural gas and related products to reach \$700,000,000. Forecasts for 1970 suggest that domestic demands for Canadian crude will increase from 4% to 6% and natural gas sales to both domestic and export markets will increase by at least 10%.

In order to keep pace with such increasing demands for Canadian natural gas, crude oil and refined products, the tempo of exploration set in 1969 must be sustained.

Exploration emphasis will undoubtedly be directed toward the establishment of large new gas reserves along the foothills belt of Western Canada and large new oil reserves in Canada's Northern sedimentary areas.

United Bata's current land holdings in both the Alberta foothills and Northern Canada are sizable and will provide the Company with good exposure in these attractive areas.

Highlights for the year 1970 will include the drilling of a minimum of 12 wells, the completion of the Strachan gas processing plant and the continuation of an aggressive exploration programme.

The Board of Directors wishes to advise that P. DeZwirek, B. Kosman and R. C. Henson, presently members of your Board, will not be standing for re-election at the forthcoming Annual Meeting. Messrs. DeZwirek, Kosman and Henson were all founding Directors of United Bata Resources Limited (N.P.L.) and their material contributions to the growth and success of the Company are gratefully acknowledged.

Submitted on behalf of the Board of Directors.

F. A. Schultz,
Chairman

A. A. W. Kryczka,
President

January 31, 1970



EXPLORATION AND DEVELOPMENT

EXPLORATION AND DEVELOPMENT

To December, 1969, the Company participated in the drilling of twelve exploratory and three development wells in British Columbia, Alberta, Saskatchewan and southern Ontario. Of these, one exploratory well was drilled in British Columbia, nine in Alberta and two in southern Ontario. Two development wells were drilled at Strachan, Alberta, and one development well was drilled in Saskatchewan.

Original and interpretive geophysical programmes were conducted in Alberta at Blackstone, Chungo, Sturrock, Strachan-Ricinus and Happy Valley. In Saskatchewan a similar geophysical programme has been completed on the Avonlea project.

United Bata's expanding land programme has resulted in the acquisition of 4,397,232 gross acres covering petroleum, natural gas and mineral rights. Land acquisitions were concentrated in prominent exploration areas of Canada and Alaska. Key to the growth of United Bata is the Company's extensive holdings in the Strachan-Ricinus area of Alberta, scene of Western Canada's newest and most active gas and oil plays. The Company has also acquired an extensive portfolio of petroleum and mineral lands in Alberta, British Columbia, Saskatchewan, the Arctic and Eastern Canada.

The following is a current and detailed review of United Bata's 1969 exploratory and development operations. Where appropriate, work in progress and planning for the year 1970 is also discussed.

ALBERTA

STRACHAN-RICINUS

Since drilling the discovery well, Stampede BA Strachan 6-33, in 1967, United Bata and partners have added 46 sections (29,440 acres) to the original 36 sections (23,040 acres) of farmout and option lands at a cost of approximately \$10,000,000. The Company now has interests ranging from 9.074% to 33.75% in 52,480 acres.

After the initial discovery, a follow-up well, Strachan 11-27, was completed, establishing more than 700 feet of net gas pay. A third well, Strachan 11-22, was drilled and completed after encountering in excess of 600 feet of pay.

These wells resulted in the negotiation of a 25-year sales contract with TransCanada Pipelines Limited and awarding of the gas plant contract.

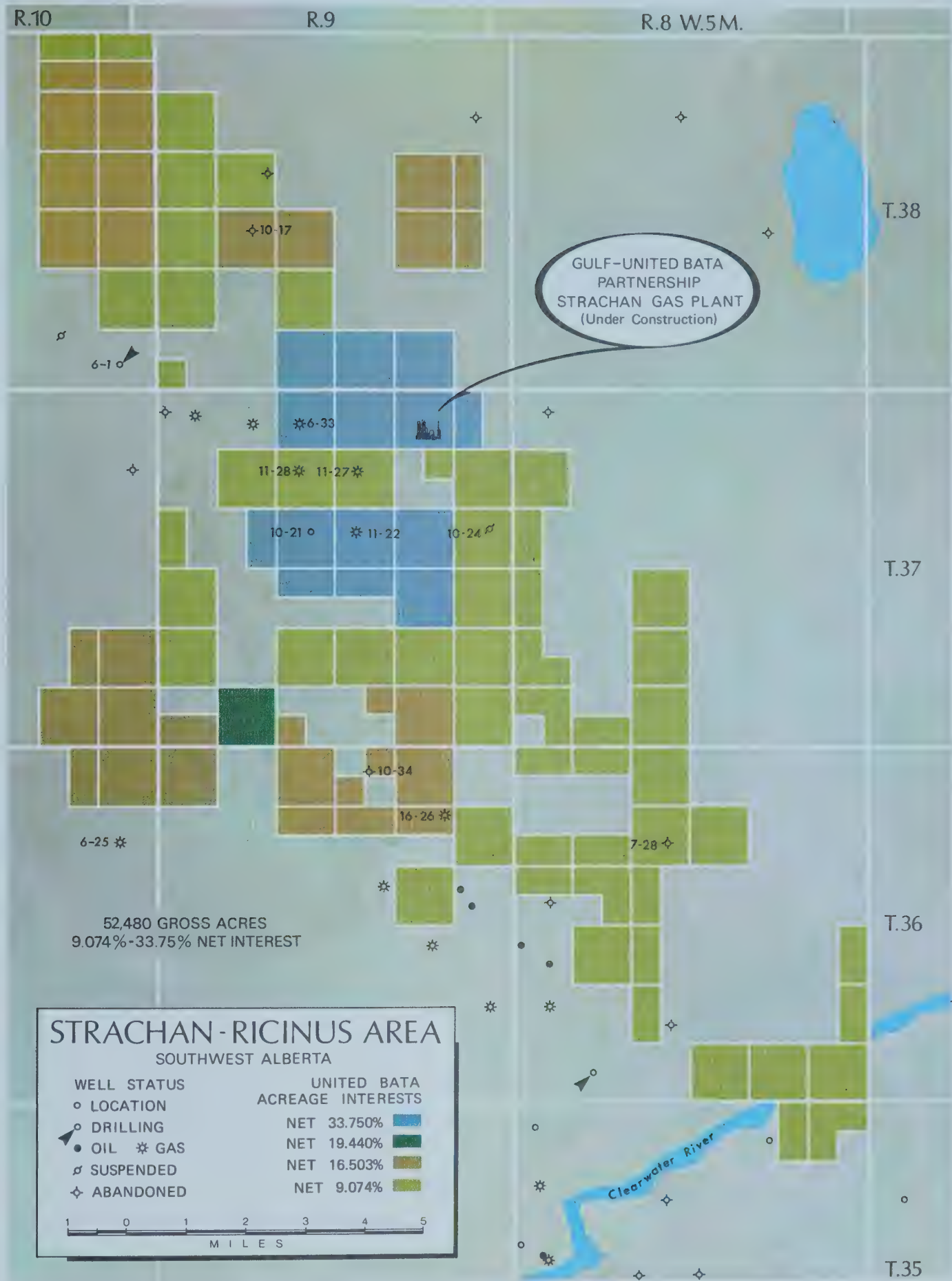
During 1969, United Bata participated in the drilling of four deep wildcat wells in an attempt to add to the already established reserves. These holes were located from three to eight miles from the proven contracted area. One hole encountered a thin zone of gas pay in the Leduc Reef and this well is currently suspended. The others were dry holes.

A development well, Strachan 11-28, in the contracted gas area is currently being completed after drilling into the reef and establishing 360 feet of net gas pay which was of a higher quality than that found in previous drilling. One or two new development wells will also be drilled to provide additional deliverability to the gas plant.

A recent gas discovery, Banff et al Ricinus 6-25, located one half mile from United Bata lands, encountered over 600 feet of pay in the Leduc Reef. This confirmation of the presence of another thick gas laden Leduc Reef reservoir near acreage in which United Bata holds a 16.503% net interest could prove to be of considerable importance to the Company. Plans are being formulated for drilling on the partnership lands adjoining the Ricinus 6-25 discovery.

Major operators are developing prolific gas and oil reserves in the Cardium Sand and Leduc Reef in the Ricinus area south of the Strachan field. United Bata participated in the drilling and successful completion of one well (16-26) to evaluate the Cardium Sand.

Data gathered to date from all wells drilled in the area confirms the presence of the Cardium reservoir and indicates that additional lands, in which United Bata has a working interest, will be productive. Development plans are now being formed.





Winter drilling conditions at UBR's Blackstone well.

BLACKSTONE-CHUNGO-STURROCK AREA

Favorable reservoir rocks are known to exist in this area from surface geology and previous drilling. Geophysical work has outlined several structural anomalies and drilling, in addition to that in progress, is planned to evaluate the most prominent seismic features. The lands involved in these three projects are comprised of five contiguous petroleum and natural gas reservations totalling 131,040 gross acres.

On the 23,200-acre Blackstone reservation, drilling of the earning well commenced on August 30, 1969, and the well is currently drilling below 11,000 feet toward the Mississippian and Devonian objectives. United Bata is the operator and will have a 12% net interest in the lands upon completion of the current well.

United Bata has taken a 25% interest in a shooting option, on the Chungo block of 69,120 acres which covers part of a prominent surface structure known as the Chungo Anticline. The seismic programme has been completed and a review of the geology and geophysics of the area is in progress. Results of this work and the results of current drilling activity in the area will determine whether United Bata will proceed with its option to drill an earning well on this acreage before September, 1970.

Adjoining the Chungo block to the southeast is the Sturrock project area. Here 38,720 reservation acres were acquired through farmout and a 9,000-foot well to test the Mississippian formations spudded on January 31, 1970. This acreage appears to contain an extension of the structures present on the Chungo and Blackstone blocks. United Bata will be the operator of this venture and will hold a 50% working interest.

HAPPY VALLEY

A 10% net working interest has been retained in 44,800

reservation acres located on a prominent foothills structure in the Callum Creek area of southwestern Alberta, 60 miles south of Calgary. A seismic survey over part of the lands outlined both shallow and deep structures and a 10,000-foot test is currently being drilled at no cost to the Company.

SASKATCHEWAN

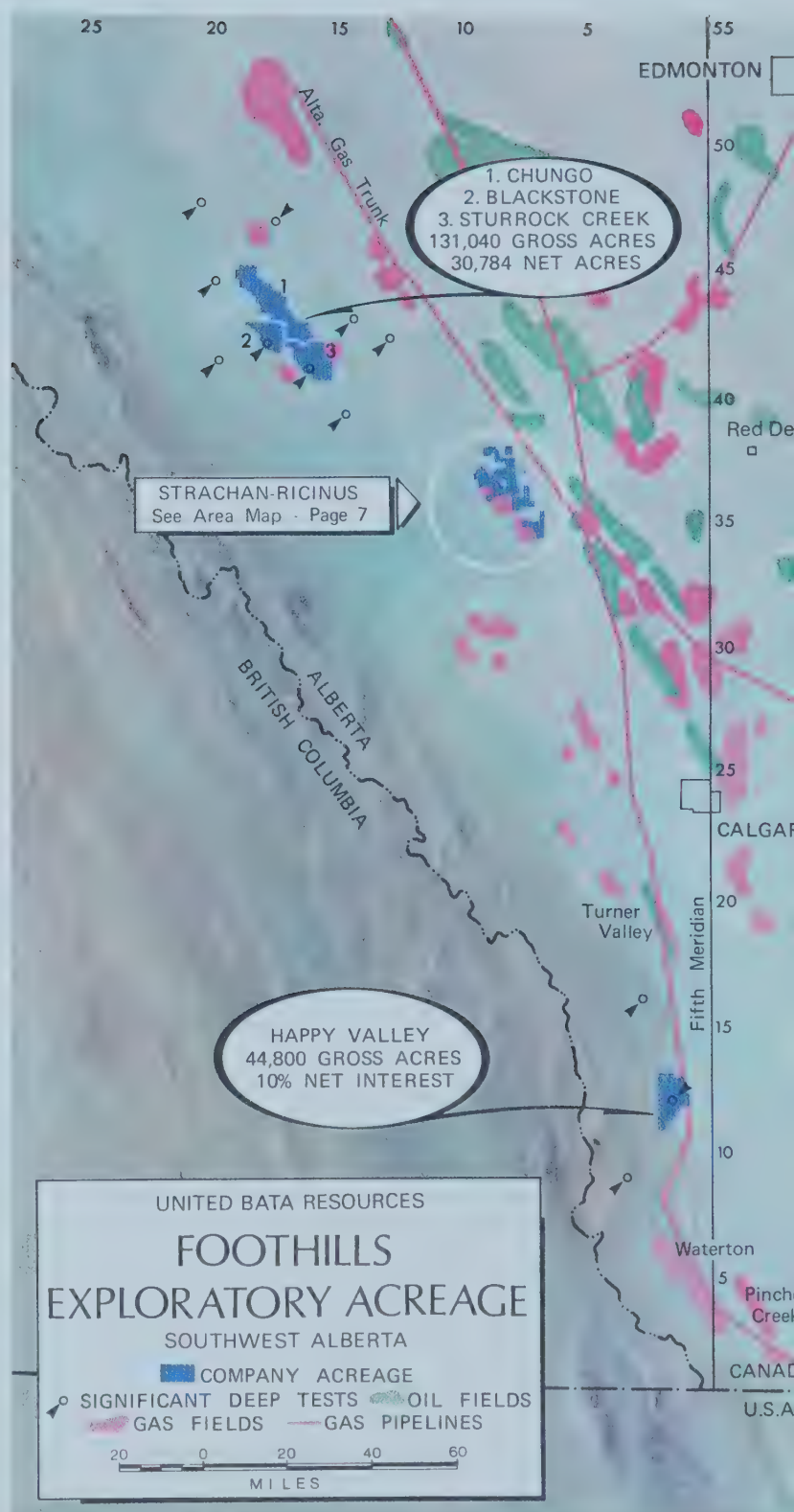
At Avonlea, twelve miles southwest of Regina, United Bata and partners concluded an agreement with two major companies under which the farmeers will drill three deep tests before August 1, 1970, to earn a 50% interest in some 90,000 acres of leases and permits.

Seismic work has outlined several anomalies and drilling of the first well will commence in the spring.

SOUTHERN ONTARIO

United Bata is participating in a minimum seven-well shallow gas play in Norfolk and Elgin Counties. This prospect is in an area whose production history dates back to the early 1900s. The combination of high market price and the shallow depths and low completion costs make the area very attractive.

Some 50,000 lease acres are involved in the project and the Company will have an 18¾% - 22½% net interest in the lands. Results of drilling to January 15 are one well waiting on completion, two dry holes and one drilling. In addition a suspended gas well has been purchased and will be completed shortly.



BRITISH COLUMBIA

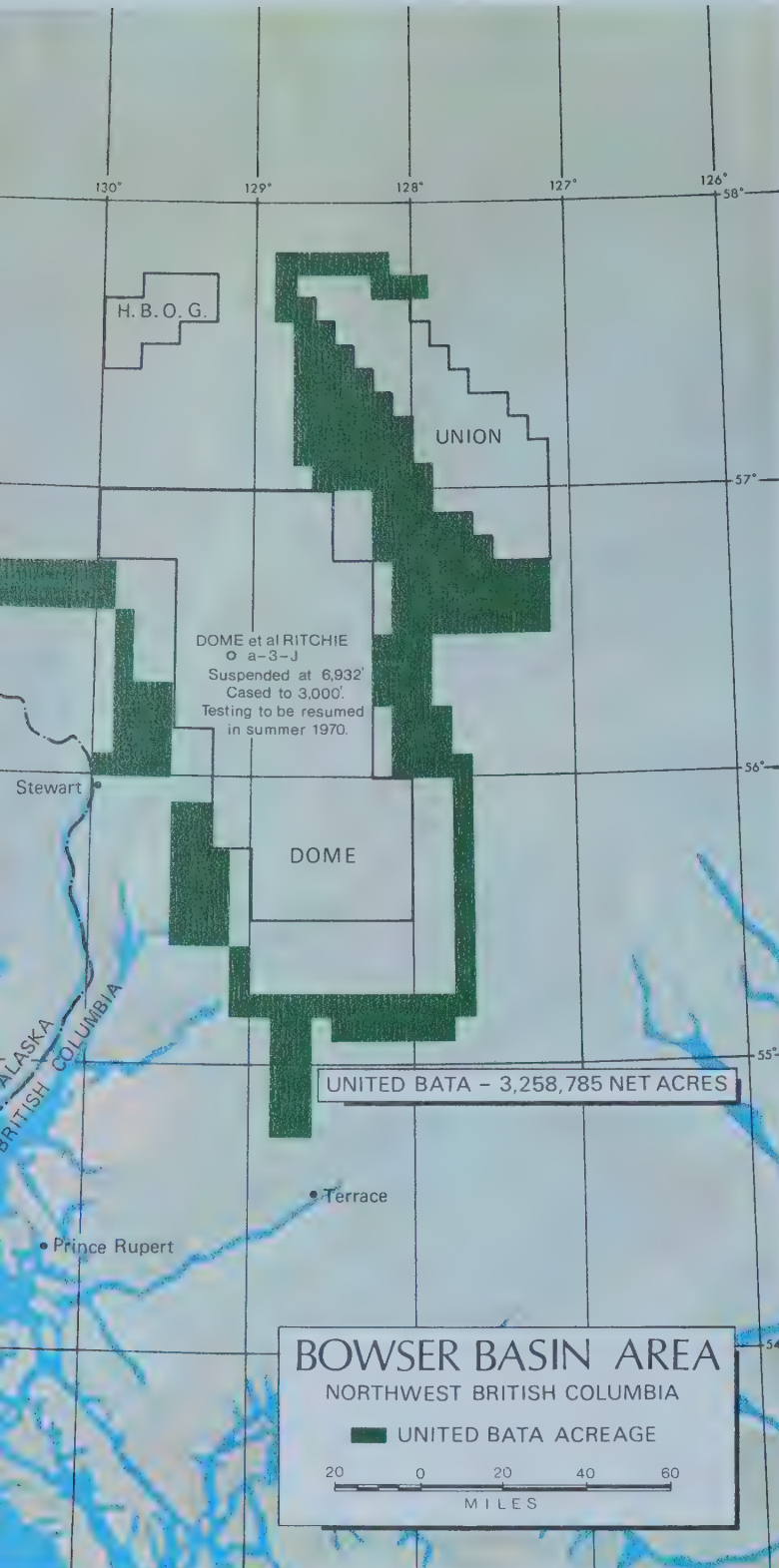
Early in 1969, United Bata acquired petroleum and natural gas permits totalling 3,258,785 acres in a large, unexplored, intermontane sedimentary basin in northwestern British Columbia. This, the Bowser or Skeena Basin, is located just east of the Alaska Panhandle's southern tip and is connected by road to Stewart, a tidewater port at the head of the Portland Canal.

The hydrocarbon potential of this large basin is being tested by Dome Petroleum and Canadian Pacific Oil & Gas in their Ritchie well which was drilled to 6,932 feet. The well is currently suspended due to weather conditions in the area.

United Bata has commenced reconnaissance geological studies in the area and plans call for additional work on specific areas of interest during the 1970 field season.

The Company still retains a 100% interest in these permits which total 3,258,785 acres.

The Bowser Basin region in northwest British Columbia where UBR will carry out exploratory work on part of its 3,258,785 wholly-owned permit acres in 1970.



NORTHWEST TERRITORIES

North of the Arctic Circle, in the Mackenzie Delta-Beaufort Sea area, the Company retains gross overriding royalty interests which vary from ½% to 3% in 524,551 permit acres.

Considerable attention is being focussed on this area by the industry following the recent announcement by Imperial Oil and the Canadian Government that oil has been found in a wildcat well at Atkinson Point. While it is too early to assess the full significance of this announcement, interest in the area as a result of this discovery, the Alaska North Slope sale and Panarctic drilling will assure a high level of activity in the Delta-Beaufort Sea area for several years. Some of United Bata's lands are located less than 35 miles from Imperial's oil discovery.

ALASKA

The Company has retained a 45% interest in 35,214 acres of prior filing rights. These lands, selected from an original spread of some 140,000 acres, are in the Foothills belt, which separates the Brooks Range from the Arctic Coastal Plain. Most of the land is within the moderately folded Northern Foothills and the parcel nearest to Prudhoe Bay production is located 65 miles southwest of the discovery area.



The Mackenzie River Delta near the Beaufort Sea. UBR holds gross overriding royalty interests in 524,551 acres in this area where a recent oil discovery will result in a substantial increase in exploration activity.





UBR has strengthened its senior management during the past year. Left to right, they are: J. B. Cotsworth, W. H. Price, A. A. W. Kryczka, J. K. Grove and N. S. Brumwell.

ADDITIONAL OIL AND GAS HOLDINGS

ALBERTA

The Company has a 10% interest in eight producing Devonian oilwells in the West Drumheller field, a 7½% interest in a Devonian oilwell at Malmo and a 20% interest in a Keg River oilwell at Rainbow Lake. A 25% interest is owned in a shut-in Jurassic gas discovery and 2,380 acres in the Comrey-Manyberries area of southern Alberta.

SASKATCHEWAN

United Bata owns small interests in three oil units and one gas unit in the Eureka-Doddsland area of southwestern Saskatchewan and a 100% working interest in one oil well at Kisbey. At North Benson, the Company has an interest in two suspended oilwells.

BRITISH COLUMBIA

In northeastern British Columbia, the Company has a 50% interest in 3,402 acres at Paddy and a working and gross overriding royalty interest on some 8,646 acres in the Shekile Area.

MONTANA

United Bata has a 37½% interest in some 32,000 acres in the Bowdoin area. These lands were acquired as a shallow gas prospect and are being maintained because of indicated deep drilling in the area by other companies.

MINERAL EXPLORATION

The Company's mineral exploration programme involves our participation in three separate projects located in the Kamloops and Revelstoke areas of British Columbia and near Thelon Lake in the Northwest Territories.

KAMLOOPS, BRITISH COLUMBIA

The Galaxy Copper Prospect consists of 46 located and six Crown granted mineral claims, six miles west of the city of Kamloops. All current exploration and development on this 52 mineral claim block is being conducted by Kimberley Copper Mines Ltd. (N.P.L.) under an agreement with United Bata. Kimberley will earn a net 50% interest for an expenditure of \$400,000 on the property.

Following earlier investigations which included geochemical surveys and exploratory diamond drilling, Kimberley is now carrying out an underground bulk sampling programme.

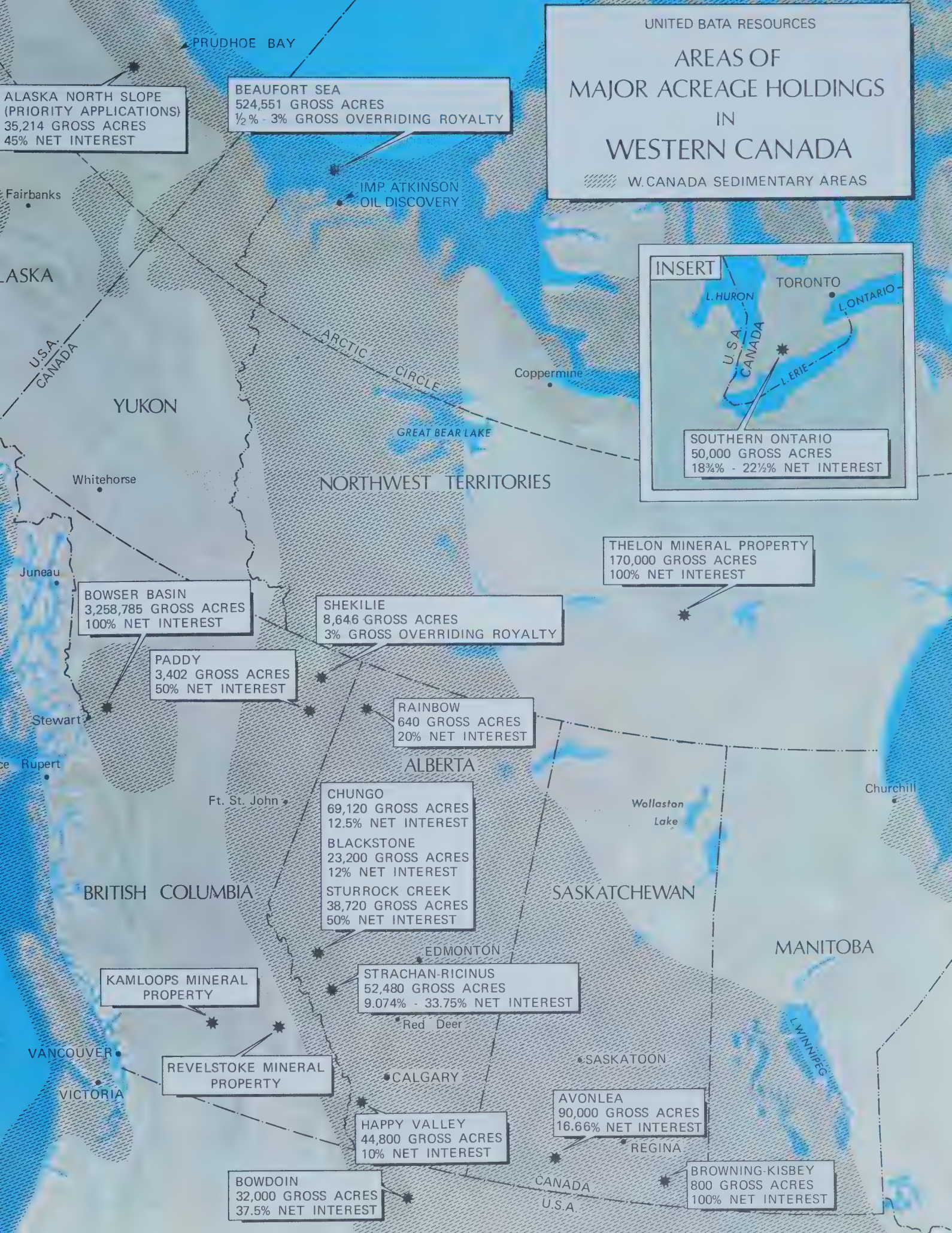
THELON AREA, NORTHWEST TERRITORIES

The Company acquired a 170,000-acre mineral permit in this area which is located some 300 miles north of the Wollaston Lake, Saskatchewan, uranium area. Airborne surveys of approximately ⅔ of the permit have been completed and the remainder will be finished in the next field season. Ground checking of anomalous areas will also be carried out during the summer.

REVELSTOKE, BRITISH COLUMBIA

Field work in 1969 to check several anomalous areas proved negative and the claims will be allowed to lapse.

W. CANADA SEDIMENTARY AREAS



GLOSSARY



The technical terminology and jargon used by those whose livelihood depends on the discovery, development and production of natural gas and oil resources can be confusing to the layman and the uninitiated.

The following explanations of some of the technical and more common terms used by oilmen are intended to assist our shareholders in gaining a broader and more thorough understanding of the gas and oil industry.

ALLOWABLE is the maximum amount of gas or oil that governmental authorities will permit a well to produce during a given period.

An **ANTICLINE** is a fold or arch of rock strata, dipping in opposite directions from an axis.

A **BARREL** is the standard unit used to measure most petroleum products. In Canada, a barrel equals 35 Imperial gallons, or 42 U.S. gallons.

CASING is the steel pipe used to line a well in order to prevent it caving in.

A **CHRISTMAS TREE** is the cluster of control valves on the wellhead of a producing oil or gas well.

CONDENSATE is a liquid hydrocarbon produced from a well in association with gas.

A **CORE** is a cylindrical sample of underground rock formations which assist geologists in determining those formations which indicate the presence of gas or oil.

CRUDE OIL is petroleum as it comes from the earth.

CRUDE AND NATURAL GAS LIQUIDS PRODUCED means all liquid hydrocarbon production; in other words, the total of crude oil plus condensate, natural gasoline, propane, and butane produced from gas plants.

CUTTINGS are fragments of rock brought to the surface in the drilling mud during drilling operations.

DEVELOPMENT DRILLING is the drilling out of a proven property and equipping it with all the necessary production facilities.

A **DEVELOPMENT WELL** is a well drilled on a proven property.

A **DISCOVERY WELL** is a well that resulted in the finding of a new gas or oil field.

DRILL PIPE consists of 30-foot sections of hollow steel tubing that screw together and at the end of which is a bit which bores through rock strata much as a carpenter's drill bores through wood.

A **DRILL STEM TEST** is a method of determining the gas, oil or water content of a particular underground rock formation.

DRILLING MUD is liquid pumped down the drill pipe to prevent the bore hole wall from caving in and also to cool and lubricate the bit.

A **DRY HOLE** is a well which failed to find gas or oil in commercial quantities.

ELECTRIC LOG is a graph showing the electrical properties of rocks penetrated in the drilling of a well. The measurements indicate the top of each rock layer penetrated by the well, the presence of fluids, and other formation properties.

EXPLORATION EXPENDITURES are costs of geological and geophysical work and surveys, exploration and wildcat drilling expenses and rentals and other carrying charges.

EXPLORATORY WELL is a well drilled on unproven prop-

erty. It is sometimes called a wildcat well.

A **FAULT** is a fracture or fracture zone in the rock formations along which there has been a displacement of the two sides relative to one another parallel to the fracture.

FISHING is a procedure used to recover drill pipe that has broken and fallen into the hole drilled. The fishing tool is customarily a powerful magnet.

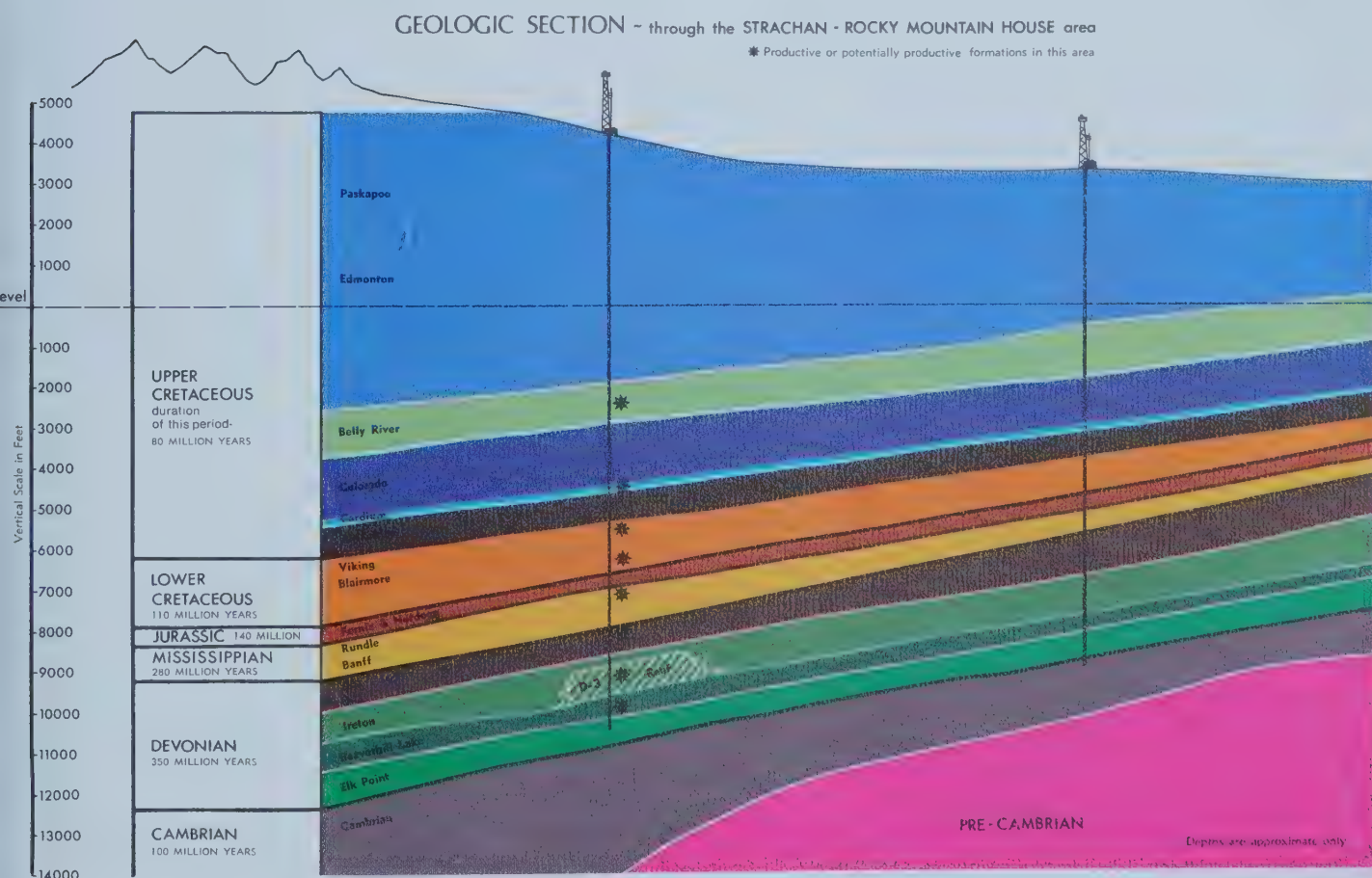
A **GAS PLANT** is a processing plant for the extraction of liquid hydrocarbons, sulphur, etc., from wet and sour gas and for the production of residue gas.

HORIZON is an underground rock formation.

A **MINERAL LEASE** is a contract between the owner of mineral rights and a second party as a lessee, granting the lessee the right to search for and produce minerals or other products on the property leased.

MINERAL RIGHTS mean the ownership of the minerals under the ground, with the right to remove them.

NATURAL GAS LIQUIDS are hydrocarbons – mainly propane, butane, condensate and natural gasoline – associated with the production of gas.



FINANCIAL STATEMENTS 1969

NON-PRODUCING ACREAGE is acreage holdings in lease or reservation form which have not been fully evaluated.

PAY SECTION is the thickness of oil or gas-producing formation in a well.

PERFORATING is a method of completing producing wells by shooting steel bullets through the casing into the producing formation.

PRODUCTION - GROSS is the total production from a well, including the royalty owner's share.

PRODUCTION - NET is that portion of the total production from a well belonging to the producer.

A PRODUCTION TEST is a method of determining the capability of a well to produce gas or oil.

RAW GAS — sometimes referred to as "Lease Gas" — is a hydrocarbon produced from a well in vapor form prior to processing in a gas plant.

A REEF is a rock structure, either mound-like or layered, built by sedentary organisms such as corals.

RESIDUE GAS is natural gas which remains after all natural gas liquids have been extracted.

RIGGING UP is the term used when a crew assembles a rotary rig.

ROYALTY is a percentage of production income paid to a landowner for gas or oil produced on his land. A GROSS OVERRIDING ROYALTY is a royalty taken from gross production without any deductions whatsoever.

A SECTION is a unit of land one square mile in area and containing 640 acres.

SPUDDING IN is another term for commencement of drilling.

A TRAP is any geological condition which acts as a barrier to the migration of oil or gas through subsurface rocks, causing them to accumulate into oil or gas pools.

WET GAS is gas containing a relatively high proportion of hydrocarbons which can be separated in liquid form.

A WHIPSTOCK is a tool used to change the direction of the drill holes.

A WILDCAT WELL is a well drilled in an area where commercial quantities of gas and oil have not been known to exist previously.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

October 31, 1969

1. INCORPORATION:

The Company was incorporated under the laws of the Province of British Columbia on October 21, 1968 and commenced operations on December 20, 1968.

2. PRINCIPLES OF CONSOLIDATION AND ACCOUNTING POLICIES:

The consolidated financial statements include the accounts of the Company's wholly-owned subsidiary, Bata Resources Inc. All intercompany accounts and transactions have been eliminated on consolidation. Two other wholly-owned subsidiaries, Bata Utilities Ltd. and Resource Management Ltd., have not been consolidated since these companies have been inactive since acquisition and the directors have resolved that they be wound up.

All costs of oil, gas and mineral properties are capitalized when acquired. When properties are proven to be productive the original cost is transferred to the producing oil, gas and mineral properties account and written off by a depletion charge calculated on the unit of production method.

All drilling and exploration costs are initially capitalized. If on completion, a well is not capable of commercial production or a property proves to be unproductive, costs are immediately written off. The costs of successful wells and exploration, other than equipment costs, are written off by depletion charges on the unit of production method in the same manner as the cost of producing oil, gas and mineral properties.

Equipment costs are depreciated on the reducing balance method at rates estimated to write off the costs over the useful lives of the assets.

3. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES:

Bata Utilities Ltd.	\$650
Resource Management Ltd.	1
	<u>\$651</u>

Investments in non-consolidated subsidiaries have been written down to estimated realizable value.

4. BANK LOAN:

The bank loan is secured under Section 82 of the Bank Act (Canada) by assignments of the Company's interest in certain hydrocarbon reserves. Under the terms of the loan agreement; principal repayments are to commence no later than January 1, 1971, the term of repayment is not to exceed seven years. The Company's bankers are prepared to extend up to \$7,000,000 under this line of credit.

5. 7½% CONVERTIBLE DEBENTURES:

The 7½% convertible debentures are secured by a first floating charge upon the Company's undertaking, business and property both present and future.

The debentures are convertible into common shares of the Company at prices per share escalating from \$1 to \$3. During the period ended October 31, 1969 debentures in the principal amount of \$493,000 were converted into 493,000 common shares of the Company at \$1 per share. On December 23, 1969 the remaining debentures in the principal amount of \$7,000 were also converted into 7,000 common shares of the Company at \$1 per share. As the result of these conversions, no interest has been paid or is payable in respect of these debentures.

500,000 share purchase warrants now detached from the debentures are outstanding and confer upon the holders thereof the right to purchase in the aggregate 500,000 shares of the Company during the period ended January 1, 1979 at prices escalating from \$1.50 to \$3.50 per share.

6. CAPITAL STOCK:

Under the terms of incorporation 10,000,000 shares without nominal or par value were authorized at a maximum price of \$1 each of which 7 shares were issued for a cash consideration of \$7.

By a directors' resolution dated January 7, 1969 the maximum issue price was increased from \$1 per share to \$3 per share.

Subsequently, the Company granted to certain senior management employees the right to purchase during the period January 7, 1969 to January 6, 1972 an aggregate of 200,000 shares of the Company at prices escalating from \$3.00 to \$3.50 per share.

By a special shareholders' resolution dated February 12, 1969, the Company altered its capital stock from 7 shares issued and 9,999,993 shares unissued without nominal or par value, maximum consideration not to exceed \$3 per share as follows:

- (a) Share capital increased to 60,000,000 shares without nominal or par value, maximum consideration not to exceed 50 cents per share comprising 42 shares issued and 59,999,958 shares unissued;
- (b) 50,000,000 authorized and unissued shares cancelled;
- (c) 35 issued shares surrendered by way of gift and cancelled without diminution of the number of shares authorized;
- (d) Shares without nominal or par value altered to shares with a nominal or par value of 50 cents each.

Subsequently, the Company entered into agreements effective as of December 20, 1968 with each of Stampede Oils Ltd. (In Voluntary Liquidation), Galaxy Copper Ltd. (In Voluntary Liquidation), Bata Resources Limited (In Voluntary Liquidation), to purchase the whole of their business and properties in consideration of the assumption of all their liabilities, obligations, winding up costs and the issue in the aggregate of 7,802,015 shares of the Company. In addition, the Company may be required to issue additional shares, to permit the shareholders of Galaxy Copper Ltd. (In Voluntary Liqui-

united bata resources limited

(Non-Personal Liability)

CONSOLIDATED

October 31, 1969

ASSETS

CURRENT ASSETS:

Cash	\$ 6,942
Investment in marketable securities, at cost (quoted market value \$5,750)	6,961
Due from joint venture participants	479,824
Inventory of supplies	2,994
Prepaid expenses	8,171
Total current assets	504,892

INVESTMENTS in non-consolidated

subsidiaries (Notes 2 and 3)

OTHER INVESTMENTS, at cost less amounts written off

FIXED ASSETS, at cost less depreciation and depletion:

Producing oil and gas properties and development thereon (including capped gas wells \$355,639)	\$ 752,345	
Lease and well equipment	230,272	
Furniture and fixtures	14,500	
Automotive equipment	22,380	
	1,019,497	
Less depreciation and depletion	52,576	
	966,921	
Non-producing oil and gas properties	2,865,488	
Non-producing mineral claims	160,696	3,993,105

OTHER:

Refundable deposits	22,628	
Incorporation expenses	12,533	35,161

\$ 4,553,809

AUDITORS' REPORT TO

We have examined the consolidated balance sheet of United Bata Resources Limited and the consolidated statements of profit and loss and source and application of funds for the period December 20, 1968 to October 31, 1969. Our examination included a review of the accounting records and other supporting evidence as we considered necessary.

In our opinion, these consolidated financial statements present a true and fair view of the results of its operations and the source and application of its funds for the period December 20, 1968 to October 31, 1969, in accordance with generally accepted accounting principles.

Calgary, Alberta
December 23, 1969

See accompanying notes to financial statements.

united bata resources limited

(Non-Personal Liability)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the period from date of commencement of operations
December 20, 1968 to October 31, 1969

REVENUE:		
Production and royalty		\$ 40,654
EXPENSES:		
Production	\$ 17,825	
Lease rentals, non-producing properties	37,460	
Depreciation and depletion	52,576	
Dry holes and abandonments	597,859	
Operating and general (Note 9) — schedule	359,700	1,065,420
Net loss before the following		1,024,766
WRITE DOWN OF INVESTMENTS	177,219	
INTEREST EARNED	(30,726)	146,493
Net loss (Note 10)		\$ 1,171,259

SCHEDULE OF OPERATING AND GENERAL EXPENSES

For the period from date of commencement of operations
December 20, 1968 to October 31, 1969

Bank charges and interest	\$ 19,000
Shareholders:	
Information and printing	18,552
Registrar and transfer agents	12,252
Public and business relations:	
Fees	13,568
Other	8,536
Professional fees:	
Legal and audit	74,676
Geological, geophysical and engineering	19,641
Toronto office, fees and expenses	44,905
Taxes and licenses	1,437
Maps and reproductions	4,031
Books and publications	1,747
Insurance	2,640
Salaries and fees	79,426
Employee benefits	1,881
Travel	26,239
Automotive	4,020
Telephone and telegraph	9,775
Office rent and expense	17,374
	<u>\$ 359,700</u>

See accompanying notes to financial statements.

BALANCE SHEET

31, 1969

LIABILITIES

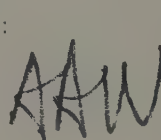

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 757,800
BANK LOAN, secured (Note 4)	250,000
7½% CONVERTIBLE DEBENTURES due January 1, 1979 (Note 5)	7,000

SHAREHOLDERS' EQUITY (Notes 5 and 6):

Capital stock:	
Shares with a nominal or par value of 50 cents each. Authorized 10,000,000 shares; issued 8,431,690 shares	\$ 4,215,845
Contributed surplus	494,423
	<u>4,710,268</u>
Deficit being the net loss for the period from date of commencement of operations December 20, 1968 to October 31, 1969	<u>(1,171,259)</u>
	3,539,009
CONTINGENCIES AND COMMITMENTS (Notes 7 and 8)	

Approved on behalf of the Board:

 
Director


Director

\$ 4,553,809

THE SHAREHOLDERS

Resources Limited (Non-Personal Liability) as of October 31, 1969 and
on of funds for the period from date of commencement of operations
neral review of the accounting procedures and such tests of account-
y in the circumstances.
rly the financial position of the company at October 31, 1969 and the
the period from date of commencement of operations December 20,
unting principles.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the period from date of commencement of operations
December 20, 1968 to October 31, 1969

ISSUE OF 7,802,015 SHARES under agreements (Note 6)		\$ 3,901,007
TO PURCHASE:		
Working capital		\$ 260,379
Other assets		3,640,628
		<u>\$ 3,901,007</u>
SOURCE OF FUNDS:		
Working capital acquired under agreements		\$ 260,379
Issue of share capital		809,261
Issue of 7½% convertible debentures		500,000
Proceeds on sale of fixed assets		1,080,177
Proceeds on sale of investments		83,000
Bank loan		250,000
Other		2,875
Total funds available		<u>2,985,692</u>
USE OF FUNDS:		
Operations:		
Net loss for the period		1,171,259
Deduct charges not requiring an outlay of funds:		
Write down of investments	\$ 177,219	
Depreciation and depletion	52,576	
Dry holes and abandonments	597,859	
Other	361	828,015
Net funds used in operations		<u>343,244</u>
Purchase of fixed assets		2,390,329
Purchase of other assets		12,027
Conversion of 7½% convertible debentures		493,000
Total funds used		<u>3,238,600</u>
Working capital deficiency		<u>\$ 252,908</u>

See accompanying notes to financial statements.

dation) to receive one full share of the Company for any fraction of a share of the Company to which they would otherwise be entitled.

Prior to the date of the aforementioned agreements Bata Resources Limited had entered into certain stock option agreements with three of its directors. The Company expressly assumed the obligations of Bata Resources Limited (In Voluntary Liquidation) under these agreements and granted to these directors on a share for share basis the right to purchase during the period ending January 6, 1972 an aggregate of 165,000 shares of the Company at prices escalating from \$1.50 to \$2.00 per share.

An option granted to an officer conferring the right to purchase up to 15,000 shares of the Company at prices escalating from \$8 to \$12 per share was amended so as to provide that such officer has the right to purchase up to 5,000 shares annually during each of the three years extending from October 1, 1969 to September 30, 1972 at a price of \$5.00 per share.

The Company has also granted to an employee the right to purchase up to 5,000 shares annually during each of the three years extending from October 1, 1969 to September 30, 1972 at a price of \$5.00 per share.

During the period stock options were exercised to the extent of 136,668 shares for a cash consideration of \$316,254 of which \$68,334 was credited to capital stock and \$247,920 to contributed surplus. Stock options were cancelled during the period to the extent of 66,666 shares. 493,000 shares of the Company were issued upon conversion of the 7½% convertible debentures (Note 5), at a price of \$1.00 per share, of which \$246,500 was credited to capital stock and \$246,500 was credited to contributed surplus.

The Company on behalf of its wholly-owned subsidiary has entered into an agreement to issue 17,770 shares for the purchase of certain oil and gas interests.

The aggregate of the options outstanding at October 31, 1969 amounted to 191,666 shares at prices ranging from \$1.75 per share to \$5.00 per share.

The Company has specifically reserved the following shares at October 31, 1969:

7,000 shares for exercise of conversion privilege attaching to the 7½% convertible debentures
500,000 shares in respect to stock purchase warrants
17,770 shares for the purchase of certain oil and gas interests
191,666 shares in respect to stock options referred to above

716,436

7. COMMITMENTS:

During the year ended October 31, 1970 the Company is committed to expend approximately \$4,000,000 towards a gas plant and gathering system now under construction.

8. CONTINGENCIES:

Pursuant to the agreements entered into with each of Stampede Oils Ltd. (In Voluntary Liquidation), Galaxy Copper Ltd. (In voluntary Liquidation) and Bata Resources Limited (In Voluntary Liquidation), see Note 6 to the financial statements, the Company is contingently liable for the following:

- (a) any liabilities found to be payable by the above companies including share distribution and winding up costs;
- (b) any claims whatsoever which might arise by virtue of the distribution of the shares of the Company to the shareholders of each of the above companies.

No provision has been made in the accompanying financial statements in respect of the foregoing.

9. REMUNERATION OF DIRECTORS:

The remuneration paid during the period to directors as employees of the Company was \$25,833.

10. INCOME TAXES:

For income tax purposes the Company is entitled to claim drilling, exploration and lease acquisition costs and capital cost allowances (depreciation for tax purposes) in amounts which may exceed the related depletion and depreciation provisions reflected in its accounts. For 1969 the Company does not intend to claim excess capital cost allowance but will claim the other specified deductions in an amount sufficient to eliminate taxable income, and expenditures remain to be carried forward and applied against future taxable income as follows:

Drilling, exploration and lease acquisition costs	\$ 2,551,000
Undepreciated capital cost	\$ 240,000

Management does not believe that it is appropriate to provide for income taxes deferred as a result of claims for drilling, exploration and lease acquisition costs; while the view of management conforms with general practice in the oil and gas industry and is accepted by accounting authorities outside Canada, it differs from the tax allocation basis of accounting recommended by the Accounting and Auditing Research Committee of The Canadian Institute of Chartered Accountants under which the income tax provision is based on the income reported in the accounts.

If the tax allocation basis had been followed for all timing differences between taxable income and reported income, deferred income taxes of \$53,100 would have been provided and the net loss for the period from date of commencement of operations December 20, 1968 to October 31, 1969 would have been increased accordingly. The accumulated income tax reductions relating to all timing differences amount to approximately \$53,100 at October 31, 1969.

DIRECTORS

K. P. BOTTOMS, Calgary, Alberta
Z. CLIMAN, Montreal, Quebec
A. L. COLVIN, Dallas, Texas
P. DeZWIREK, Toronto, Ontario
R. HENSON, Toronto, Ontario
B. KOSMAN, New York, New York
A. A. W. KRYCZKA, Calgary, Alberta
R. S. LENNIE, Vancouver, British Columbia
W. H. PRICE, Calgary, Alberta
F. A. SCHULTZ, Dallas, Texas

OFFICERS

F. A. SCHULTZ, Chairman of the Board
A. A. W. KRYCZKA, President
W. H. PRICE, Vice-President
P. DeZWIREK, Vice-President
J. B. COTSWORTH, Secretary-Treasurer

MANAGEMENT

A. A. W. KRYCZKA, B.Sc., M.Sc., F.G.A.C., P.Geol. — PRESIDENT
W. H. PRICE, B.Sc., P.Eng. — VICE-PRESIDENT
J. B. COTSWORTH, B.Comm., C.A. — SECRETARY-TREASURER
J. K. GROVE, R.M.C., A.A.P.L. — CHIEF LANDMAN
N. S. BRUMWELL, B.Sc., P.Geol. — CHIEF GEOLOGIST

HEAD OFFICE

1070 Elveden House, Calgary 2, Alberta

BANKERS

THE BANK OF MONTREAL, MAIN BRANCH
140 - 8th Avenue S.W.

Calgary 2, Alberta

CANADIAN IMPERIAL BANK OF COMMERCE

25 King Street West

Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

CANADA PERMANENT TRUST COMPANY

455 Granville Street

Vancouver, British Columbia

1901 Yonge Street

Toronto 1, Ontario

315 - 8th Avenue S.W.

Calgary 2, Alberta

600 Dorchester Boulevard,

Montreal, Quebec

AUDITORS

PEAT, MARWICK, MITCHELL & CO.

309 - 8th Avenue S.W.

Calgary 2, Alberta

EXCHANGE LISTING

Vancouver Stock Exchange

united bata resources limited (n.p.l.)

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Avonlea—Continued									
Sec. 31 T15R24W2	F/H 1239 640 acres				16 ² / ₃	106.67			
NW/4 20 T15R24W2	F/H 1252 160 acres				16 ² / ₃	26.67			
NE/4 & NW/4 17 T15R24W2	F/H 1253 320 acres					53.33			
S/2 17 T15R24W2	F/H 1256 320 acres					53.33			
SE/4 26, T14R24W2	F/H 1315 160 acres					26.67			
T15R23W2—Secs. 6, 18, N/2 & SE/4 Sec. 30				P&NG Expl. Permit No. PP1636	16 ² / ₃				
T14R24W2—Secs. 2, 4, 6, SE/4 9, Secs. 10, 11, 12, 14, 16, 18, 20, 22, 24, NE/4 26, Secs. 28, 29, 30, 32, 34, 36								52,800 acres	8,801.76 acres
T15R24W2—Secs. 2, 4, 6, 11, 12, 14, S/2 & NE/4 16, S/2 18, S/2 20, S/2 22, S/2 24, NW/4 28, Secs. 29, 30, N/2 & SW/4 32, N/2 34, NE/4 36									
T14R25W2—Secs. 2, 4, 6, 10, 11, 12, 14, 16, 18, 20, 22, 24, NE/4 26, Secs. 28, 29, 30, 32, 34, 36									
T15R25W2—Secs. 2, 4, NE/4 6, Secs. 10, 11, 12, S/2 14, S/2 & NW/4 16, Sec. 18, SW/4 20, SW/4 & NE/4 22, N/2 24, E/2 28, Sec. 29, S/2 30, NE/4 32, Secs. 34, 36									

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
<i>Avonlea—Continued</i>								
T15R26W2—Secs. 2, 4, 6, 10, 11, 12, 14, 16, 18, 19, SW/4 20, Sec. 22 S/2 & NW/4 24, Secs. 28, 29, 30, 32, 34, S/2 36								
NNE/4 Sec. 3 T14R22W2	F/H 3424 160 acres				16⅔	26.67		
NNW/4 & S/2 Sec. T14R22W2	F/H 3344 480 acres				16⅔	80.00		
NNE/4 Sec. 5 T14R22W2	F/H 3361 160 acres				16⅔	26.67		
SE/4 Sec. 5 T14R22W2	F/H 3409 160 acres				16⅔	26.67		
NNE/4 Sec. 8 T14R22W2	F/H 3362 160 acres				16⅔	26.67		
SE/4 & SW/4 Sec. 9 T14R22W2	F/H 3377 282.14 acres				16⅔	47.03		
½ int. Ptn. NE/4 Sec. 13 T14R22W2	F/H 3412 48.25 acres				16⅔	8.04		
SE/4 Sec. 19 T14R22W2	F/H 3401 160 acres				16⅔	26.67		
S/2 Sec. 21 T14R22W2	F/H 3410 320 acres				16⅔	53.33		
Lsds. 3, 6, 11, 14 Sec. 26 T14R22W2	F/H 3400 160 acres				16⅔	26.67		
NE/4 Sec. 31 T14R22W2	F/H 3378 164.78 acres				16⅔	27.50		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
<i>Avonlea—Continued</i>									
E/2 Sec. 35 T14R22W2	F/H 3478 324.54 acres				16 $\frac{2}{3}$	54.00			
NW/4 Sec. 35 T14R22W2	F/H 3339 164.52 acres				16 $\frac{2}{3}$	27.50			
W/2 Sec. 1 T15R22W2	F/H 3384 324.65 acres				16 $\frac{2}{3}$	54.00			
NE/4 Sec. 3 T15R22W2	F/H 3399 160 acres				16 $\frac{2}{3}$	26.67			
$\frac{1}{2}$ int. NW/4 Sec. 3 T15R22W2	F/H 3395 80 acres				16 $\frac{2}{3}$	13.33			
S/2 Sec. 3 T15R22W2	F/H 3387 329.93 acres				16 $\frac{2}{3}$	55.00			
Sec. 5 T15R22W2	F/H 3433 649.41 acres				16 $\frac{2}{3}$	108.00			
$\frac{1}{2}$ int. E/2 Sec. 15 T15R22W2	F/H 3422 160 acres				16 $\frac{2}{3}$	26.67			
$\frac{1}{2}$ int. E/2 Sec. 15 T15R22W2	F/H 3393 160 acres				16 $\frac{2}{3}$	26.67			
$\frac{1}{2}$ int. SW/4 Sec. 15 T15R22W2	F/H 3482 80 acres				16 $\frac{2}{3}$	13.33			
$\frac{1}{2}$ int. SW/4 Sec. 15 T15R22W2	F/H 3394 80 acres				16 $\frac{2}{3}$	13.33			
Sec. 21 T15R22W2	F/H 3369 640 acres				16 $\frac{2}{3}$	106.67			
NE/4 Sec. 23 T15R22W2	F/H 3365 160 acres				16 $\frac{2}{3}$	26.67			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Avonlea—Continued								
1½ int. Sec. 25 T15R22W2	F/H 3379 320 acres				16⅔	53.33		
E/2 & SW/4 Sec. 27 T15R22W2	F/H 3423 480 acres				16⅔	80.00		
NW/4 Sec. 27 T15R22W2	F/H 3468 160 acres				16⅔	26.67		
E/2 Sec. 25 T14R23W2	F/H 3398 320 acres				16⅔	53.33		
W/2 Sec. 25 T14R23W2	F/H 3397 320 acres				16⅔	53.33		
NW/4 Sec. 26 T14R23W2	F/H 3471 160 acres				16⅔	26.67		
S/2 Sec. 26 T14R23W2	F/H 3472 320 acres				16⅔	53.33		
NNE/4 Sec. 27 T14R23W2	F/H 3392 160 acres				16⅔	26.67		
SE/4 Sec. 27 & SE/4 Sec. 35 T14R23W2	F/H 3396 320 acres				16⅔	53.33		
W/2 Sec. 27 T14R23W2	F/H 3481 320 acres				16⅔	53.33		
Sec. 33 T14R23W2	F/H 3348 648.52 acres				16⅔	108.30		
W/2 Sec. 35 T14R23W2	F/H 3485 323.82 acres				16⅔	54.00		
NNE/4 Sec. 1 T15R23W2	F/H 3360 160 acres				16⅔	26.67		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Avonlea—Continued								
Ptn. S/2 Sec. 1 T15R23W2	F/H 3406 265.14 acres				16⅔	44.10		
Ptn. S/2 Sec. 1 T15R23W2	F/H 3486 63.58 acres				16⅔	10.50		
E/2 Sec. 9 T15R23W2	F/H 3343 320 acres				16⅔	53.33		
Sec. 21 T15R23W2	F/H 3380 640 acres				16⅔	106.67		
S/2 Sec. 26 T15R23W2	F/H 3386 320 acres				16⅔	53.33		
SW/4 Sec. 30 T15R23W2	F/H 3355 160 acres				16⅔	26.67		
Ptn. W/2 Sec. 31 T15R23W2	F/H 3426 177.50 acres				16⅔	29.60		
N/2 Sec. 35 & N/2 Sec. 26 T15R23W2	F/H 3359 640 acres				16⅔	106.67		
S/2 Sec. 35 T15R23W2	F/H 3385 320 acres				16⅔	53.33		
NE/4 Sec. 3 T14R24W2	F/H 3330 160 acres				16⅔	26.67		
S/2 Sec. 3 T14R24W2	F/H 3389 240 acres				16⅔	40.00		
N/2 Sec. 8 T14R24W2	F/H 3418 320 acres				16⅔	53.33		
N/2 Sec. 15 T14R24W2	F/H 3363 320 acres				16⅔	53.33		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

	Province or Territory	COMPANY NET INTEREST								
		Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Avonlea—Continued										
1/2 int. S/2 Sec. 15 T14R24W2		F/H 3375 160 acres				16 2/3	26.67			
Lsds. 1, 2, 3, & 4 Sec. 17 T14R24W2		F/H 3371 160 acres				16 2/3	26.67			
SW/4 Sec. 31 T14R24W2		F/H 3342 160 acres				16 2/3	26.67			
N/2 Sec. 1 T15R24W2		F/H 3474 320 acres				16 2/3	53.33			
Sec. 5 T15R24W2		F/H 3408 651.24 acres				16 2/3	108.56			
SE/4 Sec. 8 T15R24W2		F/H 3411 160 acres				16 2/3	26.67			
SE/4 Sec. 8 T15R24W2		F/H 3381 160 acres				16 2/3	26.67			
NE/4 Sec. 18 T15R24W2		F/H 3382 160 acres				16 2/3	26.67			
1/2 int. NW/4 Sec. 19 T15R24W2		F/H 3388 80 acres				16 2/3	13.33			
NE/4 Sec. 19 T15R24W2		F/H 3341 160 acres				16 2/3	26.67			
SE/4 Sec. 21 T15R24W2		F/H 3425 160 acres				16 2/3	26.67			
NW/4 Sec. 27 T15R24W2		F/H 3432 160 acres				16 2/3	26.67			
SE/4 Sec. 32 T15R24W2		F/H 3383 160 acres				16 2/3	26.67			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Avonlea—Continued									
SW/4 Sec. 34 T15R24W2	F/H 3413 160 acres				16⅔	26.67			
E/2 Sec. 35 T15R24W2	F/H 3416 320 acres				16⅔	53.33			
SE/4 Sec. 36 T15R24W2	F/H 3415 160 acres				16⅔	26.67			
NW/4 Sec. 36 T15R24W2	F/H 3480 160 acres				16⅔	26.67			
Sec. 5 T14R25W2	F/H 3331 640 acres				16⅔	106.67			
NE/4 Sec. 7 T14R25W2	F/H 3368 160 acres				16⅔	26.67			
W/2 Sec. 8 T14R25W2	F/H 3390 320 acres				16⅔	53.33			
E/2 Sec. 9 T14R25W2	F/H 3404 315.64 acres				16⅔	52.90			
Ptn. S/2 Sec. 15 T14R25W2	F/H 3428 300.82 acres				16⅔	51.40			
N/2 of NE/4 Sec. 15 T14R25W2	F/H 3334 80 acres				16⅔	13.33			
S/2 of NE/4 Sec. 15 T14R25W2	F/H 3335 80 acres				16⅔	13.33			
½ int. E/2 & SW/4 Sec. 17 & NW/4 Sec. 17 T14R25W2	F/H 3402 400 acres				16⅔	66.68			
N/2 Sec. 19 T14R25W2	F/H 3336 320 acres				16⅔	53.33			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Avonlea—Continued								
S/2 Sec. 19 T14R25W2	F/H 3337 320 acres				16⅔	53.33		
Sec. 21 T14R25W2	F/H 3354 3354 (1) (2) 640 acres				16⅔	106.67		
E/2 Sec. 23 T14R25W2	F/H 3329 320 acres				16⅔	53.33		
W/2 Sec. 23 T14R25W2	F/H 3366 312.65 acres				16⅔	52.00		
NE/4 Sec. 25 T14R25W2	F/H 3346 160 acres				16⅔	26.67		
½ int. NW/4 Sec. 25 T14R25W2	F/H 3419 80 acres				16⅔	13.33		
Ptn. SW/4 Sec. 25 T14R25W2	F/H 3332 16.12 acres				16⅔	2.68		
½ int. NW/4 Sec. 25, ½ int. NW/4 Sec. 26 T14R25W2	F/H 3403 160 acres				16⅔	26.67		
SE/4 Sec. 25 T14R25W2	F/H 3431 160 acres				16⅔	26.67		
½ int. NW/4 Sec. 26 T14R25W2	F/H 3374 80 acres				16⅔	13.33		
Ptn. SW/4 Sec. 25 & SE/4 Sec. 26 T14R25W2	F/H 3376 303.88 acres				16⅔	50.8		
SW/4 Sec. 26 T14R25W2	F/H 3340 160 acres				16⅔	26.67		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST									
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres	
Avonlea—Continued										
S/2 Sec. 27 T14R25W2	F/H 3338 320 acres				16⅔	53.33				
N/2 Sec. 33 T14R25W2	F/H 3407 320 acres				16⅔	53.33				
SE/4 Sec. 33 T14R25W2	F/H 3470 160 acres				16⅔	26.67				
SW/4 Sec. 33 T14R25W2	F/H 3372 160 acres				16⅔	26.67				
E/2 Sec. 35 T14R25W2	F/H 3333 323.32 acres				16⅔	54.00				
W/2 Sec. 35 T14R25W2	F/H 3417 323.35 acres				16⅔	54.00				
NE/4 Sec. 5 T15R25W2	F/H 3347 160 acres				16⅔	26.67				
NW/4 Sec. 6 & SW/4 Sec. 7 T15R25W2	F/H 3349 320 acres				16⅔	53.33				
S/2 Sec. 6 T15R25W2	F/H 3414 331.31 acres				16⅔	55.10				
NW/4 Sec. 7 T15R25W2	F/H 3391 160 acres				16⅔	26.67				
S/2 Sec. 8 T15R25W2	F/H 3405 320 acres				16⅔	53.33				
N/2 Sec. 20 T15R25W2	F/H 3350 320 acres				16⅔	53.33				
½ int. SE/4 Sec. 20 T15R25W2	F/H 3351 80 acres				16⅔	13.33				

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Avonlea—Continued								
NW/4 Sec. 28 T15R25W2	F/H 3367 160 acres				16⅔	26.67		
NW/4 Sec. 33 T15R25W2	F/H 3370 160 acres				16⅔	26.67		
NNE/4 Sec. 1 T14R26W2	F/H 3479 160 acres				16⅔	26.67		
Sec. 21 T14R26W2	F/H 3475 640 acres				16⅔	106.67		
E/2 Sec. 5 T14R26W2	F/H 3421 320 acres				16⅔	53.33		
½ int. Sec. 7 T14R26W2	F/H 3421 320 acres				16⅔	53.33		
S/2 Sec. 9 T14R26W2	F/H 3427 316 acres				16⅔	52.80		
Sec. 15 T14R26W2	F/H 3473 640 acres				16⅔	106.67		
E/2 Sec. 23 T14R26W2	F/H 3358 320 acres				16⅔	53.33		
W/2 Sec. 23 T14R26W2	F/H 3429 320 acres				16⅔	53.33		
NW/4 Sec. 35 T14R26W2	F/H 3430 163.36 acres				16⅔	27.20		
S/2 Sec. 35 T14R26W2	F/H 3357 320 acres				16⅔	53.33		
NE/4 Sec. 3 T15R26W2	F/H 3373 158 acres				16⅔	26.40		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Avonlea—Continued								
½ int. W/2 Sec. 9 T15R26W2	F/H 3469 160 acres				16⅔	26.67		
½ int. W/2 Sec. 9 T15R26W2	F/H 3476 160 acres				16⅔	26.67		
SW/4 Sec. 13 T15R26W2	F/H 3352 160 acres				16⅔	26.67		
W/2 Sec. 26 T14R24W2	F/H 320 acres				33⅓	106.66		
N/2 Sec. 27 T14R25W2	F/H 320 acres				33⅓ of 50	53.33		
N/2 Sec. 13 T15R24W2	F/H 320 acres				33⅓	106.66		
E/2 Sec. 27, SE/4 Sec. 34 T15R24W2	F/H 480 acres				33⅓	160.00		
Sec. 3 T15R25W2	F/H 640 acres				33⅓	213.31		
W/2 Sec. 9 T15R25W2	F/H 320 acres				33⅓	106.66		
W/2 Sec. 13 T15R25W2	F/H 320 acres				33⅓	106.66		
NE/4 Sec. 16 T15R25W2	F/H 160 acres				33⅓	53.33		
SE/4 Sec. 22 T15R25W2	F/H 160 acres				33⅓	53.33		
E/2 Sec. 35 T15R25W2	F/H 320 acres				33⅓	106.66		
NW/4 Sec. 19 T15R25W2	F/H 160 acres				33⅓	53.33		
SE/4 Sec. 13 T15R26W2	F/H 160 acres				33⅓	53.33		
Sec. 3 T16R25W2	F/H 640 acres				33⅓	213.31		
N/2 Sec. 9 T16R25W2	F/H 320 acres				33⅓	106.66		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Avonlea—Continued									
SE/4 Sec. 15 T15R26W2	F/H 3353 160 acres				16⅔	26.67			
W/2 Sec. 1 T14R27W2	F/H 3364 320 acres				16⅔	53.33			
½ int. S/2 Sec. 1 T15R27W2	F/H 3483 164.07 acres				16⅔	27.40			
½ int. N/2 Sec. 13 T15R27W2	F/H 3356 160 acres				16⅔	26.67			
S/2 Sec. 13 T15R27W2	F/H 3420 320 acres				16⅔	53.33			
½ int. SW/4 Sec. 31 T15R27W2	F/H 3477 80 acres				16⅔	13.33			
½ int. SE/4 Sec. 25 T13R25W2	F/H 3345 80 acres				16⅔	13.33			
E/2 Sec. 8 T13R24W2	F/H 3484 320 acres				16⅔	53.33			
W/2 Sec. 25 T15R25W2	F/H 3485 320 acres				25.00	80.00			
Eureka									
Lsd. 9, 10, 16 & SE/4 Sec. 18 T31R22W3	Ptn. Ls. P9161 280 acres				7.5	21.00			
Sec. 7 T32R20W3	Ls. 9398 640 acres				15.00	96.00			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

	Province or Territory	COMPANY NET INTEREST								
		Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
S. Eureka Unit Doddsland Viking Gas Voluntary Unit		3000 acres				0.37344	11.20			
		5760 acres				0.40365	23.27			
Kisbey										
	Sec. 30 & SW/4 Sec. 32 T7R5W2	Ptn. Ls. PN1353 800 acres				100.00	800.00			
North Benson										
	Lsd. 15 & 16 Sec. 10 T7R8W2	Ptn. Ls. PN8387 80 acres				50.00	40.00			
	NW & SE/4s & Lsd. 9 & 10 Sec. 10 & W/2 & SE/4 Sec. 14 T7R8W2	Ptn. Ls. PN8387 880 acres				25.00	220.00			
BRITISH COLUMBIA										
Bowser Basin										
						100.00		Class "C" P&NG Permits 2011, 2012, 2013, 2019, 2026, 2039, 2040, 2041, 2042, 2043	683,454 acres	
Shekilie										
	94-I-P Block K, Units 52, 53, 62, 63, 72, 73, 82 & 83	Cmn. Ls. 4978 1329 acres				12.5	166.13			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

	Province or Territory	COMPANY NET INTEREST								
		Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Shekilie—Continued										
94-I-9 Block I, Units 58, 59, 68, 69, 76-80 incl., 86-90 incl., Block J, Units 71-73 incl., 81-83 incl.		Cmn. Ls. 4979 3322 acres				12.5	415.25			
94-I-9 Block J, Units 16-19 incl., 26-29 incl.		Cmn. Ls. 4980 1330 acres				12.5	166.25			
94-I-9 Block G, Units 36, 37, 46 & 47		Cmn. Ls. 4981 667 acres				12.5	83.38			
94-I-9 Block G, Units 71, 81, Block H, Units 80, 90		Cmn. Ls. 4982 666 acres				12.5	83.37			
94-I-9 Block H, Units 19, 29, 39		Cmn. Ls. 4983 600 acres				12.5	62.50			
94-I-9 Block H, Units 51, 61, 71, 81 & 91		Cmn. Ls. 4984 832 acres				12.5	104.00			
North Paddy										
94-H-16 Block H, Units 98, 99, Block I, Units 8 & 9		P&NG Ls. 5548 680 acres				41.2	280.16			
94-H-16 Block G, Units 14, 15, 24, 25, 34-37, 44-47 incl., 54, 55, 64 & 65		P&NG Ls. 5549 2723 acres				41.2	1121.88			

ONTARIO

Elgin & Norfolk Counties

75% working interest in approx. 3000 acres in each of
the following described blocks of freehold P&NG
leases:

Block No. I—Twp. of Malahide. All of Lots 19-23
incl., Con. II N/2 of Lots 19-23 incl., Con. I

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Elgin & Norfolk Counties—Continued									
Block No. 2—Twp. of Malahide. All of Lots 28-33 incl., Con. III									
Block No. 3—Twp. of Bayham. All of Lots 6-11 incl., Con. IV									
Block No. 4—Twp. of Bayham. All of Lots 124-128 incl., Con. VI S.T.R. South Gore									
Block No. 5—Twp. of Bayham. All of Lots 119-124 incl., Con. VI N.T.R. North Gore									
Block No. 6—Twp. of Houghton. All of Lots 3-6 incl., Con. E.N.R. & I. & S. of Lake Road									
Block No. 7—Twp. of Houghton. All of Lots 7-9 incl., Con. E.N.R. & I.									
Block No. 8—Twp. of Houghton. All of the E/2 of Lots 16-19 incl., W.N.R. and all of those Lots in E.N.R. All of the W/2 of Lots 16-19 incl., Con. I									
Block No. 9—Twp. of Houghton. All of Lots 15-19 incl., Con. VI & VII, N. & S., of the Lake Road. All of Lots 1, Con. VI & VII									
Block No. 10—Twp. of N. Walsingham. All of Lots 6-8 incl., Con. X & XI									
Block No. 11—Twp. of N. Walsingham. All of S/2 of Lots 1-3 incl., Con. IX. All of Lots 1-3 incl., Con. VIII. All of N/2 Lots 1-3 incl., Con. VII									
Block No. 12—Twp. of N. Walsingham. All of Lots 9-12 incl., Con. VIII. All of N/2 Lots 9-12 incl., Con. VII									

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Elgin & Norfolk Counties—Continued									
Block No. 13—Twp. of S. Walsingham. All of Lots 9-11 incl., Con. V & VI									
Block No. 14—Twp. of S. Walsingham. All of Lots 5-7 incl., Con. I & II									
Block No. 15—Twp. of S. Walsingham. All of Lots 1-3 incl., Con. B. All of Lots 1-3 incl., Con. A. Lots 1 & 2 & W/2 Lot 3, Con. I									
North Bayham									
70% W.I. in approx. 3000 acres P&NG Lses. Elgin County, N. Gore & Conc. 8, Lots 3-14 incl., N. of Talbot Road									
U.S.A.—Montana									
Bowdoin Area									
T26N,R34E,MPM: E/2 Sec. 7; T27N,R34E,MPM: SW/4, W/2 SE/4 Sec. 16, E/2 SE/4 Sec. 17, E/2 NE/4 Sec. 20, NW/4, W/2 NE/4 Sec. 21, NE/4 Sec. 32, NW/4 Sec. 33, W/2 Sec. 34	M1814 1600 acres				37.50	600.00			
T27N,R33E,MPM: Lot 1, SE/4 NE/4 Sec. 1, Lots 1, 2, 4, S/2 NW/4, SW/4 NE/4, E/2 SW/4, SE/4 Sec. 2, Lots 2, 3, SE/4 NW/4, S2 NE/4, SE/2 SW/4, SE/4 Sec. 3, N/2 S/2 S/2 N/2 Sec. 8, NE/4 NW/4, NE/4 Sec. 11, W/2 Sec. 15, E/2 Sec. 20	M1817 2211.66 acres				37.50	829.37			
T27N,R32E,MPM: Lots 1, 2, 4, S/2 N/2 Sec. 5, Lots 1, 2, S/2 NE/4 Sec. 6, SE/4 SW/4, SW/4 SE/4 Sec. 7, Lots 1, NE/4 NW/4, N/2 NE/4 Sec. 18	M1823 720.91 acres				37.50	270.34			

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	COMPANY NET INTEREST			
					Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Montana—Continued								
T26N,R32E,MPM: Sec. 28	M1824 640 acres				37.50	340.00		
T25N,R32E,MPM: Lot 4, SW/4 NW/4, SW/4 SE/4 Sec. 2, Lots 1, 2, S/2 NE/4 SE/4 Sec. 3, SE/4 NE/4, NE/4 SE/4, Sec. 10, N/2, NW/4 SW/4, E/2 SW/4, SE/4 Sec. 11	M1826 1278.74 acres				37.50	479.53		
T27N,R34E,MPM: Sec. 18, Lots 1, 2, 3, 4, E/2 W/2, E/2	M1830 625.92 acres				37.50	234.72		
T27N,R34E,MPM: Sec. 15, N/2 SW/4, W/2 SE/4 Sec. 17	M1831 1200 acres				37.50	450.00		
T27N,R34E,MPM: Sec. 9, E/2, NW/4 Sec. 10	M1832 1120 acres				37.50	420.00		
T27N,R34E,MPM: Lots 1, 2, 3, 4, S/2 N/2, S/2 Sec. 5, Lots 1, 2, 3, 4, 5, 6, 7, S/2 NE/4, SE/4, NW/4, E/2 SW/4, Sec. 6, Lots 1, 2, 3, 4, E/2 W/2, E/2 Sec. 7, N/2, SE/4 Sec. 8	M1833 2429.09 acres				37.50	910.91		
T27N,R34E,MPM: Lots 1, 2, 3, 4, S/2 N/2, S/2 Sec. 1, Lots 1, 2, 3, 4, S/2 N/2, SW/4 Sec. 2, Lots 1, 4, SE/4 NE/4, SW/4 NW/4, S/2, Lot 2 except 2.80 acres in Reservoir R/W M-010223, Lot 3 except .70 acre in Reservoir R/W M-010223, SW/4 NE/4 less 5.59 acres in Reservoir R/W M-010223, SE/4 NW/4 less 9.96 acres in Reservoir R/W M-010223, Lots 1, 2, 3, 4, S/2 N/2, SW/4 Sec. 4	M1834 2355.25 acres				37.50	883.22		
T27N,R33E,MPM: Sec. 12, E/2, S/2 NW/4, N/2 SW/4	M1849 480 acres				37.50	180.00		

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST							
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
Montana—Continued								
T27N,R33E,MPM: Sec. 1, Lots 2, 3, 4, S/2 NW/4, SW/4 NE/4, N/2 SW/4, SE/4, Sec. 2, Lot 3, SE/4 NE/4, Sec. 11, NE/4 SE/4	M1850 634 acres				37.50	237.75		
T27N,R32E,MPM: Sec. 30, E/2W/2, Sec. 32	M1860 800 acres				37.50	300.00		
T27N,R32E,MPM: Sec. 20, Sec. 29, W/2, Sec. 30, Lots 1, 2, 3, 4	M1861 1113.96 acres				37.50	417.74		
T27N,R32E,MPM: Sec. 17, E/2, Sec. 18, SE/4, Sec. 19, E/2	M1862 800 acres				37.50	300.00		
T27N,R32E,MPM: Sec. 5, Lots 3, Sec. 7, Lot 4, SE/4 SE/4	M1863 125.97 acres				37.50	47.24		
T26N,R32E,MPM: Sec. 29, N/2, Sec. 30, E/2 SE/4, NW/4 SE/4, NE/4 SW/4, Sec. 31, E/2 E/2, Sec. 32, W/2 W/2, SE/4, SW/4, S/2 SE/4, NE/4 SE/4, Sec. 33	M1864 1600 acres				37.50	600.00		
T26N,R32E,MPM: Sec. 18, Lot 2, Sec. 19, SE/4, Sec. 20, S/2, S/2 N/2	M1865 679.76 acres				37.50	254.91		
T26N,R32E,MPM: Sec. 5, Lots 1, 2, 3, 4, S/2 N/2, N/2 S/2, SE/4 SE/4, Sec. 6, Lots 1, 2, 3, 4, 5, S/2 NE/4, SE/4 NW/4, N/2 SE/4, Sec. 7, Lot 2, SE/4 NW/4, NE/4 SW/4, NW/4 SE/4	M1866 1078.36 acres				37.50	404.39		
T25N,R32E,MPM: Sec. 35	M1867 640 acres				37.50	240.00		
T25N,R32E,MPM: Sec. 26, 27, 28, 34	M1868 2560 acres				37.50	960.00		

UNITED BATA RESOURCES LIMITED (N.P.L.)

LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST									
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licenses, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres	
Montana—Continued										
T25N,R32E,MPM: Sec. 22, NW/4, W/2 NE/4, NE/4 NE/4, W/2 SW/4, Sec. 23, N/2 SE/4, E/2 SW/4, SW/4 SW/4, Sec. 33, N/2	M1869 1280 acres				37.50	480.00				
T25N,R32E,MPM: Sec. 14, 15, 21	M1870 1920 acres				37.50	720.00				
T25N,R32E,MPM: Sec. 3, SW/4, Sec. 4, Lots 3, 4, S/2 NW/4, S/2, Sec. 5, Lots 1, 2, S/2 E/4, SE/4, S/2 SW/4, Sec. 6, S/2 SE/4, E/2 SW/4, Lots 6, 7, Sec. 7, Lot 1, E/2 NW/4, N/E/4, Sec. 9, N/2 Sec. 10, W/2, S/2 SE/4, NW/4 SE/4, N/2 NE/4, SW/4 NE/4, Sec. 11, SW/4 SW/4	M1871 2474.17 acres				37.50	927.81				
T27N,R33E, Sec. 1, S/2 SW & Sec. 12, N/2 NW	Freehold 160 acres				37.50	60.00				
T27N,R33E, Sec. 12, S/2 SW/4, Sec. 13, NE/4, N/2 NW/4	Freehold 320 acres				37.50	120.00				
T25N,R32E, Sec. 22, SE, NE, E/2 SW & SE/4, Sec. 23, NW, SW	Freehold 320 acres				37.50	120.00				
T27N,R32E, Sec. 27, NENE, W/2, All Sec. 28, Sec. 29, E/2, Sec. 30, E/2; T26N,R32E, Sec. 3, Lot 2, S/2 NE, NW5E	Freehold 1819.84 acres				37.5 of 50.00	341.22				
T27N,R33E, Sec. 13 SE/4	Freehold 160 acres				37.5	60.00				

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST						
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres Mineral Titles, Acres
ALASKA							
North Slope							
			Note: Prior Filing Rights Serial No.		Total Acres 35,214		
T3SR6E Block 2			F-2967	45.00	2560.00		
T3SR6E Block 3			F-2968	45.00	2346.00		
T5SR5E Block 9			F-3497	45.00	2466.00		
T5SR5E Block 8			F-3498	45.00	2560.00		
T5SR5E Block 7			F-3499	45.00	2560.00		
T5SR5E Block 6			F-3500	45.00	2560.00		
T5SR5E Block 5			F-3501	45.00	2560.00		
T5SR5E Block 4			F-3502	45.00	2456.00		
T5SR5E Block 3			F-3503	45.00	2346.00		
T5SR5E Block 2			F-3504	45.00	2560.00		
T3SR6E Block 6			F-3786	45.00	2560.00		
T4S R5E Block 7			F-3796	45.00	2560.00		
T3S R6E Block 1			F-2966	45.00	2560.00		

UNITED BATA RESOURCES LIMITED (N.P.L.)

LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licences, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
MINING PROPERTIES									
BRITISH COLUMBIA									
Kamloops Mining Division									
All mineral deposits precious and base (save coal, petroleum and any gas or gases) which may be found in, upon or under those pieces of land situate in the Kamloops Assessment District of the Province of B.C., and were particularly known and described as:									
Kamloops Division, Kale District:									
District Lot 835, "Kentucky" Mineral Claim									
Lot 845, "Golden Star"									
Lot 998, "Number Seven"									
Lot 1013, "Evening Star"									
Lot 1037, "Ben Hur"									
Lot 1038, "Prince of India"									
All situate in the Kamloops Assessment District of the Province of B.C.									
Dart 1 & 2 Key 1 & 2Fr.									
Rockets: 1, 2Fr., 3, 4, 5Fr., 6-14 incl., 15Fr., 16Fr.									
Ursus: 1, 2, 3, 4Fr., 5Fr.									
Shear: 1-4 incl., 5Fr.									
Venus: 1-10 incl., 11Fr., Dart 3									
Shear: 6, 7Fr.									
Ursus: 6, 7Fr.									
All situate in the Kamloops Mining Division of the Province of B.C.									
			Crn. granted Mineral Claims		50.00				
			Recorded Mineral Claims		50.00				

UNITED BATA RESOURCES LIMITED (N.P.L.)

LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST					
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licenses, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Petroleum & Natural Gas Leases, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres
NORTHWEST TERRITORIES						
<i>Pine Point</i>						
NOD10-31, 37-39			66			
TAB51, 54, 62-65			Mining Claims			
GAT45-49, 55-59, 65-69, 75-79						
MAT85-89, 95-99, 105-109						
<i>Thelon</i>			Prospecting Permit No. 174		100.00	2,560 acres
			2,560 acres			
SASKATCHEWAN						
<i>Helium Permit</i>						
T14R22W2—Secs. 4, 6, 16, 18, 20, 28, 29, 30, 32				H-97	100.00	97,920 acres
				97,920 acres		
T15R22W2—Secs. 4, 6, 10, 16, 18						
T14R23W2—Secs. 1-7 incl., Secs. 9-24 incl., NE/4 Sec. 26, Secs. 28, 29, 30, 32, 34, 36						
T15R23W2—Secs. 2, 4, 6, 10, 11, 12, 14, 16, 18						
T14R24W2—Secs. 2, 4, 6, SE/4 Sec. 9, Secs. 10, 11, 12, 14, 16, 18, 20, 22, 24, NE/4 Sec. 26, Secs. 28, 29, 30, 32, 34, 36						

UNITED BATA RESOURCES LIMITED (N.P.L.)
LIST OF PROPERTIES AT APRIL 30, 1970

Province or Territory	COMPANY NET INTEREST								
	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licenses, Acres	Mineral Titles, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Company Interest %	Petroleum & Natural Gas Leases, Acres	Natural Gas Leases, Licenses, Acres	Petroleum & Natural Gas Reservations, Permits & Drilling Reservations, Acres	Mineral Titles, Acres
Helium Permit—Continued									
T15R24W2—Secs. 2, 4, 6, 11, 12, 14, S/2 & NE/4 Sec. 16, S/2 Sec. 18, S/2 Sec. 20, S/2 Sec. 22, S/2 Sec. 24, NW/4 Sec. 28, Secs. 29, 30, N/2 & SW/4 Sec. 32, N/2 Sec. 34, NE/4 Sec. 36									
T16R24W2—Sec. 2, N/2 Sec. 4, Secs. 6, 10, 11, 12, 14, 16, 18									
T14R25W2—Secs. 2, 4, 6, 10, 11, 12, 14, 16, 18, 20, 22, 24, NE/4 Sec. 26, Secs. 28, 29, 30, 32, 34, 36									
T15R25W2—Secs. 2, 4, NE/4 Sec. 6, Secs. 10, 11, 12, S/2 Sec. 14, S/2 & NW/4 Sec. 16, N/2 Sec. 17, Sec. 18, SW/4 Sec. 20, SW/4 & NE/4 Sec. 22, N/2 Sec. 24, E/2 Sec. 28, Sec. 29, S/2 Sec. 30, NE/4 Sec. 32, Secs. 34, 36									
T16R25W2—Secs. 2, 4, SE/4 Sec. 6, Secs. 10, 11, 12, S/2 & NW/4 Sec. 14, S/2 & NE/4 Sec. 16									
T15R26W2—Secs. 2, 4, 6, 10, 11, 12, 14, 16, 18, 19, SW/4, Sec. 20, Sec. 22, S/2 & NW/4 Sec. 24, Secs. 28, 29, 30, E/2 Sec. 32, Sec. 34, NE/4 Sec. 35, S/2 Sec. 36									
T16R26W2—Sec. 4, S/2 Sec. 5, Sec. 6, NE/4 Sec. 10, Secs. 11, 12, S/2 & NE/4 Sec. 16, S/2 Sec. 18									

LIST OF PROPERTIES—ROYALTY INTERESTS

<u>Gross Overriding Royalties</u>	<u>Total Petroleum & Natural Gas Leases</u>	<u>Total Reservation Permits, etc.</u>	<u>United Bata Gross Overriding Royalty Percent</u>
Shekilie—same average as in properties	8,646 acres		1½ %
North Eureka Unit			8.6207 %
Northwest Territories			
Permits W2566, W2567 (W½), W2568, W2569 (N½)		258,920 acres	3 %
Permit W2317		43,343 acres	2 %
Permits W2257, W2258, W2259, W2260, W2261		222,288 acres	1 %